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The American Journal of ECONOMICS and SOCIOLOGY

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The AMERICAN JOURNAL *of* ECONOMICS *and* SOCIOLOGY

Published QUARTERLY under grant from the Robert Schalkenbach Foundation in the interest of constructive synthesis in the social sciences.

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Our Merits and Shortcomings

By FRANCIS NEILSON

THE EDITOR HAS INVITED ME to write a few words upon my impressions of the contributions that have been made to THE AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY during its first decade. He could not have chosen a more incompetent man to give adequate treatment to such a task, for I am an old-fashioned English Constitutional Radical and see no reason whatever why I should change the economic diet upon which I fed from my early youth.

The ideas prevalent today in the bureaucratic departments of the State, and also in institutions of learning, for the control of individuals, is quite foreign to my training. Whereas it was the belief when I was young that the individual man, in cooperation with his fellow, had economic and political power sufficient to reform the evils that beset him, his progeny have been educated to believe that the State is a mother from whose breast we can draw at will the sustenance of life. The change that has come about is such a radical one that I feel I am not qualified to estimate the worth of what we now call "social science." The more I see of bureaucracy and the evils that it has perpetrated, the more certain I am that the men of the school of Grote and Mill were surer guides than any of the leading saviours of this day.

I have never thought it possible to reform the individual by subverting the best that is in him to the nebulous group called society. Under an unjust economic and fiscal system, such an enterprise can lead only to the totalitarian State. If society is to be reformed, the individual must be reformed first.

Therefore, I feel somewhat lost in a world in which our political and financial systems tend more and more to pauperize the community at the expense of the individual. I have protested, since I entered the political arena fifty years ago, against the patriarchal tendencies of the State in federal, state, and municipal affairs. I have, at the same time, realized that involuntary poverty was an evil that could not be ignored; but to perpetuate it by a system of doles, instead of removing the injustices which are mainly its cause, only makes things worse for the afflicted. Instead of economic justice, we have had palliatives, which were regarded by the Radicals of fifty years ago as mere sops to keep the people quiet so that they would not disturb the rich. Since the first World War we have seen many of the rich impoverished under this system, with the result that millions who suffer from injustice find life harder than it was for their fathers. Owing to the system of the taxation of wealth, we have witnessed the bureaucrats growing fat and the producers of wealth wearing thin.

Hospitality to the Younger Students

THE CONTRIBUTIONS that have appeared in this *Journal* have, in the main, dealt with these disabilities and defects of the system. On the credit side may be entered many achievements that are worthy of particular notice. If there is one thing that has been done by the publication of this quarterly, it is the opportunity it has given to many young writers to have their say, some of whom otherwise might have found it difficult to get their articles published. Our editor is to be congratulated for bringing to the fore young students of the affairs of life who, perhaps, would have remained unknown until they had reached an eminent position in scholastic institutions. When one realizes that their essays are circulated to more than thirty different countries in the world, it establishes a record for which our editor may be praised.

There is so much to be said on the credit side that I feel loath to touch upon the shortcomings I find in some of the work. Only an old fogy, such as myself, would notice them. Upon this point, may I remind some of the older contributors and readers that, when *The Freeman* was launched as a weekly periodical, I insisted upon making it not only a journal with a fixed economic policy, but at the same time, one that must have a broad, catholic net spread out to catch the best aesthetic and cultural writers to be found. I think those who remember the issues of the four years of its life will agree that Santayana and Robert Lynd, with several other widely-known writers, were correct when they complimented the production on its literary value and the wide scope of subjects dealt with in its articles.

Our Neglect of the Cultural Aspects of Our Problems

I MENTION THIS because on the deficit side there is to be entered a shortcoming in this respect. I miss not only the cultural background I seek in the treatment of the problems of our daily life, but I also find lacking the historical sense which provides a perspective for purposes of comparison. Sometimes a biographical touch will illuminate a problem and send the reader to ascertain the manner of the person mentioned, and how his activities and thought differed from those of our day. Others besides Disraeli considered that in biography there were volumes of essential information.

Perhaps we are too deeply concerned with the problems of the present to spare time for seeking reasons why they have become more complicated and, indeed, more sinister as the bureaucracy gathers in strength. A writer came to me some years ago with the typescript of his book and said that it had been turned down by publishers, and he wondered what was wrong with it. I read it and came to the conclusion that it was merely a description of things as they existed in his time, a clever gathering of the happenings of daily affairs, with many tables of statistics. It lacked life because it had no background. It was a prosaic document of conditions as they are reported briefly in the daily papers.

Many a weary hour is spent in gathering statistics that impress few people. There is nothing quite so lifeless as a statistical table, and there was never one that provided a solution for the problem. Yet, statistics in the broadest sense of the term can be made exceedingly interesting by judicious comparison. In a work that I am now reading, *Histoire du Commerce,* by Jacques Lacour-Gayet, the first two volumes reveal a method of comparing practices of the past with those of the present, which is not only entertaining but of great instructive value. We learn that the first traders plodded the routes to far markets along animal tracks. Many instances are given of how the spread of knowledge resulted from these expeditions. Compare this laborious method of taking goods to market with the means of transporting merchandise today, and we ponder, at once, our advance from primitive beginnings to the locomotive and the swift ocean vessel.

Relevant comparison and contrast are important in heightening the interest in the subject under consideration. When they are used by a writer having a deep background of knowledge, they assist the student in the understanding of the value of the work he is reading. Furthermore, they stimulate curiosity and, as it were, urge him to go to sources—

historical records—to gather more information on the changes which have modified or accentuated the laws, customs, and practices that have gone far to produce present conditions. Henry George was a master at this manner of treating a subject, and that is why his book, *Progress and Poverty,* won the profound attention of such thinkers of different minds as Lord Acton, the Duke of Argyll, and many other leaders of thought of two generations ago.

Our Loose Use of Economic Terms

ANOTHER MATTER to which we should give heed is to learn the correct definitions of the words we use. Unfortunately, our colloquial manner of discussing the terms of the factors in production, the distribution of wealth produced by labor and capital from land, the interest in it of the individual producer and economic position of the consumers of it, often lead us astray and obscure our thought when we undertake the more precise task of writing. Much of the confusion which befogs so many readers today arises from the rather careless manner in which we use economic terms. This is a defect in a great deal of the writing that should be remedied.

In conclusion, I would say that *The Journal* should have more aesthetic and cultural articles. By this wish I do not mean anyone to infer that such contributions should be classified as sheer literary work, or indeed of mere aesthetic value. It seems to me there never was a time when the cultural things of life that endowed past generations with an interest that never dies were so sorely needed in our colleges and universities. The archaeologist is having the finds of past civilizations all to himself, and from them he learns that our boasted progress will leave few monuments to be admired by those of another time who delve and search for specimens of our culture.

Port Washington, New York

The Journal's First Ten Years

THE CLOSE OF THE TENTH YEAR of publication of *The American Journal of Economics and Sociology* calls for an anniversary report. The time has come to survey its progress and, perhaps, note some milestones on the road ahead. This must be done, for it is of interest to all who have contributed to its columns, as well as to the readers in many parts of the world whose support helps to make this enterprise possible and whose criticism and suggestions are a solid influence in whatever scholarly results are achieved.

First we must examine this *Journal's* raison d'etre. This calls for the recollection of some details of its history. For some years the present writer

and Mr. Frank Chodorov had worked, in the Thirties, in an effort to interest younger scholars in tackling some of the basic problems in social reform; the social reforms in which we were interested were those promising to enlarge, rather than those threatening to minimize, the scope of individual liberty and human freedom. With the aid of friends, we defined a large number of these problems and circulated them. The effort received a friendly welcome in scholarly circles, but little came of it.

Studying the results, the present writer came to the conclusions that the project failed because there was no organized agency to press it and to aid the collaborators in it to bring their work to the stage of publication; and that even with such an agency the effort would encounter a serious obstacle in the intense specialization which was then characteristic of the cultivation of the social sciences and related disciplines in the United States. The economic and social problems that bring forth and require reforms do not accommodate themselves to departmental and specialist lines among the scholars who should deal with them. Indeed, it was almost impossible for the existing scientific reviews, devoted as they were to separate sciences and even specialties within them, to deal with any problem as a whole, for it inevitably crossed specialist boundaries. Many social scientists were aware of this difficulty, but they did not know what to do about the institutional barriers to its solution.

But most problems lend themselves to scientific solution. Applying sociological analysis to this one, approaching it like any other social problem —indeed, do not the problems of scholars ultimately become the problems of society?—the present writer concluded that what was needed for its solution was an organized agency composed of interested scholars which would make a frontal attack upon the specialist barriers. And since the focus of the effort had to be publication, it seemed to him that the whole effort of the agency should be directed to it by making its specific task the production of a scholarly review.

At dinner with Mr. Chodorov in 1938, the present writer presented his thesis and won Mr. Chodorov's enthusiastic support. Mr. Chodorov agreed to present the plan to directors of the Robert Schalkenbach Foundation, with most of whom he was acquainted, the foundation being the logical source of support for such a venture. If the plan could be reduced to a practical basis, there was no doubt that the support of the foundation directors could be won. For individual liberty was already being endangered, not only by partisans of the status quo, but by partisans of Karl Marx, who were then infiltrating American colleges. The foundation

directors, being men of broad vision and keen social insight, were aware of this threat.

During the next two years, the present writer devoted himself to research into the human resources available for such a scholarly venture, into the practical problems of organization and into the financial problems of scientific journalism. When he became convinced that the practical problems were not insoluble, he so reported to Mr. Chodorov at the end of 1939. His findings provided a basis for a memorandum written by Mr. Chodorov on Jan. 11, 1940 to Mr. Charles Johnson Post, member of the committee on public education of the Robert Schalkenbach Foundation. The committee, headed by Mr. O. K. Dorn and composed of Mr. Post and Albert Pleydell, investigated the proposal, obtaining opinions from Professors Harry Gunnison Brown, George Raymond Geiger and others, and studying a group of publications in related fields. It made a report on Feb. 10, 1940, recommending that the foundation back such a venture. "There can be no question as to the importance of the special and technical kind of publication proposed," the report said.

The Dorn-Post-Pleydell report recommended that a sum not to exceed $200 be allocated for preliminary expenses and that a sum not to exceed $750 be allocated for an annual subsidy. This was accepted by the board. But a secret can be told out of school. The committee had found, by their inquiries, that the existing publications in the field required individual subsidies of thousands of dollars. Indeed, the average annual subsidy, they found, was in the neighborhood of $10,000. Anticipating that the needed subsidy would be beyond the ability of the foundation's limited funds, the foundation's directors pledged themselves privately, off the record, to make up out of their individual means the sum they expected would be required. Actually, the $200 was not needed. The annual subsidy required was at first $600 and later $400. Not until war-time inflation raised printing and mailing costs three times above the original level was a larger subsidy required, and then it was provided by a fund made available to *The Journal* and administered by the foundation from a supporter who wishes still to remain anonymous.

The foundation directors have continued among this *Journal's* most active supporters, not merely on the side of financing, but in every way that they, scholars as well as men of affairs, could help. In this, as in so many other fruitful endeavors, they followed the enthusiastic leadership of their president, Mr. Lawson Purdy, whose accomplishments in the fields of law, tax policy and social policy are so well known to our readers. Serving

with Mr. Purdy during this period have been: John W. Angus, Henry George Atkinson, Herman Belth, Ezra Cohen, Philip H. Cornick, Otto K. Dorn, Roy A. Foulke, Alexander Goldfinger, Lancaster M. Greene, Thomas Larkin, Will Lissner, Raymond V. McNally, Robert Nowlan, Albert Pleydell, Charles Johnson Post, Leonard T. Recker, Albert E. Schalkenbach, Charlotte Schetter and the following now deceased: John H. Allen, Anna George deMille, Walter Fairchild, Charles H. Ingersoll and George L. Rusby.

The Organization of *The Journal*

WITH SUCH SUPPORT, the present writer went ahead with the organization of the group. He had developed a list of about a hundred scholars who were keenly interested in the solution of the problem of synthesis in the social sciences as a means of developing rational solutions of social and economic problems. From their writings he wrote a prospectus intended to be the least common denominator of their positions upon this crucial issue. The prospectus was intended to rally them together. But at the same time it was intended to be a manifesto, a challenge to the world of scholarship. And so it proved. It met a ready response, attracting to the enterprise precisely those scholars whose aid was required to make it a success. It was intended only to represent the basic point of view of those accepting responsibility for the direction of the venture. But it attracted far wider support. Moreover, it has stood the test of time and experience.

In preparation for this progress report, after ten years of experience, the prospectus was circulated again among the board of editors for critical examination and revision, in whole or in part. Unanimously the board reported that it preferred to stand on the statement, seeing no need for changes.

On the practical side, the group was organized around the work of the independent scholar. This did not represent any lack of appreciation for the work of the great research foundations in the social sciences, such as the National Bureau of Economic Research. It was a practical recognition of the fact that there were neither the funds nor the personnel available for an organized effort along such lines. Nor did it represent any preference between individual and team research. Indeed, the prospectus declared then, and still declares, that whether constructive synthesis can best be achieved by a unified approach, involving mastery of all the disciplines relevant to a problem by one or a few men, or by a collaboration in specialized approaches, which implies team research, is still an open question; it "is left to the collaborators to discover."

What the voluntary collaboration of the individuals in this organized group was intended to do was to make available to the independent scholar all the help and encouragement, if he should need it, that would be his if he were associated with a great research foundation, apart from financial aid. The only reason financial aid was not considered was that neither the Robert Schalkenbach Foundation nor the *Journal* group was in a position to provide it.

In many cases, however, other great foundations and university funds which make grants in aid to independent scholarship have provided funds to meet the cost of individual projects. While this *Journal's* editors have been glad, on occasion, to render opinions to help such foundations to decide whether or not a project fitted into their programs, they have never solicited such financial support. On the many occasions when it was granted, it was given freely by the foundations concerned and the credit for the results achieved is entirely theirs. This *Journal* has been glad to make its facilities available to projects sponsored by such forward-looking foundations on a number of occasions; and it acknowledges gratefully the cooperative attitude displayed toward so many independent scholars in its group on so many occasions.

The needs of the independent scholar vary greatly. In many cases he has the private means or access to research grants to meet all or part of the costs of his investigations. He has available at his university or among his friends specialists who can advise upon or check upon his work. All that he requires is the final scrutiny of his monograph, report or essay by experts and a means of communicating it to fellow workers in his field, for their criticism and suggestions; and finally a means for communicating it to policy makers who may apply his results.

At the other extreme is the independent scholar who does not have all the materials available that are necessary to his investigation and who requires advice, guidance and even active help on every step of the way to the final stage of publication. He may not have mastered neighboring disciplines relevant to his investigation. He may not even have sufficient mastery of the English language to prepare an acceptable report.

This *Journal's* organization, as developed by the present writer, was intended to bridge these extremes. At the top there is an editorial board representative of the broad departments of knowledge concerned with the special problems that are the *Journal's* field of interest. Its head, the editor-in-chief, winnows the grain from the chaff among the manuscripts and proposals for studies submitted. Those he believes might be acceptable or perhaps could be made acceptable are submitted to a referee, the member

of the board who specializes in the field into which the subject falls. Frequently a committee of referees must act, as several fields are involved. Assisting the board are members of the editorial advisory board, experts in narrower specialties that supplement the broad departments represented in the board of editors. Sometimes it is necessary for an editor or an editorial adviser to consult colleagues outside the group. Such help has been readily given by scores of scholars to whom we are grateful.

Each of the active collaborators in this *Journal* initiates investigations and arranges for advice and guidance to be given the investigator and each watches out for investigations of interest to the group. Each has full authority and his decision is taken as final, subject to the process of accommodation by which the activities of this large group of individuals is coordinated and the flow of material regulated to the limitations of space and funds for printing costs. All decisions are reached by consultation carried on usually with the greatest informality. Basic policy decisions, which happen always to have been unanimous although they need not have been, are decided by democratic vote.

These active collaborators are a company of men of many interests and affiliations. The board of editors, headed by the present writer, includes Mortimer J. Adler, Harry Gunnison Brown, Raymond E. Crist, George Raymond Geiger, Glenn E. Hoover, Harold Hotelling and John Ise. The late Franz Oppenheimer also was a member of the original board, serving with devotion until his death in 1943. The original editorial advisory board included Harold S. Buttenheim, John Dewey, Roy A. Foulke, L. G. Ligutti, Adolph Lowe, Grover C. Loud, Francis Neilson, Lawson Purdy and, until their deaths, Walter Fairchild and Harry Weinberger. Subsequently Philip H. Cornick, Phyllis Evans, Lancaster M. Greene, E. C. Harwood, Donald A. MacLean, the late Helen Swift Neilson, the late John C. Rawe, Joseph S. Roucek and Louis Wallis joined the group.

Taking responsibility for the business policies of the quarterly review, organized as a non-profit membership corporation, is its board of directors. Headed by Mr. Dorn as president, Mr. Post and Mr. Pleydell as vice presidents and Miss V. G. Peterson as secretary-treasurer, it includes Dr. Brown, Dr. Geiger and Messrs. Dorn, Lissner, Pleydell and Post. In charge of business management, production and promotion is Miss Peterson, who has carried the business enterprise through many a storm with flags flying. She has had the devoted assistance of Miss Frances Soriero. Mr. Chodorov was slated to handle promotion but the unexpected press of other interests obliged him to withdraw after the first issue appeared. Miss Peterson has been aided by Wallace Kibbee, who designed the typographical style of this

Journal, by Elmer Smith on the art work, and by William S. O'Connor, our counsel in succession to William H. Quasha.

The Ten Years' Record

NOW LET US SEE what this group of individuals, working cooperatively and harmoniously, has accomplished in ten years. The *Journal* has published 11 books, 326 monographs, reports and essays, 175 notes and eleven article reviews. Disregarding brief matter, it has also published 64 reviews, 16 comments and 24 documents. In all, there were 627 items.

Apart from the documents, there were 603 contributions. These came from 213 individual contributors. Of these, 119 were affiliated with 72 universities and colleges here and abroad; 63 with the research or other departments of 14 governmental agencies, 16 public agencies and 11 private agencies and enterprises. The occupations represented are of interest. Of course, the largest number, 102, were college teachers. But 35 were administrators, 29 research workers, 19 professional authors, 11 pastors and 9 lawyers. The following occupations were represented by one or two contributors: legislator, secretary (literary and medical), librarian, accountant, typographer, student, social worker, banker, city planner, architect. This, it should be emphasized, comprises all the occupations represented. It is of sociological interest, surely, to note that this pioneering scholarship is being carried on by members of the traditional or the newer professions—and by no one else. Has the day of the scholarly farmer and the scholarly craftsman passed? Unfortunately, it would seem so. Not a younger Franklin or a younger Paine appears in the group.

Consider the geographical distribution of this scholarly work. Of the 213 individuals, 207 can be associated with fixed localities. 191 were from the United States. Of these, 94 came from the northern region, including the New England and the middle Atlantic states. 58 came from the north central region, including the east and west north central states. 20 came from the southern region, including the south Atlantic and east and west south central states. 19 came from the western region, including the mountain and Pacific states. From this breakdown and a further one of inter-regional groupings, it is seen that the distribution roughly parallels that of the distribution of general population and of higher educational institutions in the United States. Of the overseas and foreign contributors, 8 were from England and 1 or 2 each from Canada, Puerto Rico, Spain, Israel, France, Hungary and Argentina.

Consider further how hospitable this *Journal* has been to the younger

scholar, for it is the younger scholar, not so committed in his interests, who can be expected to be the more ready and willing to undertake research in untried fields. Of the 213 contributors, 170 held teaching or research ranks in the hierarchy of colleges and research agencies that enable us to classify them. 87 were full professors, research directors or senior research workers. 83 were instructors, assistant or associate professors or junior research workers. Thus this *Journal* served almost as many younger scholars as older ones.

Surely it can be argued from these statistics that this *Journal* has justified its reason for being. Surely all the collaborators, readers, officers and editors together, should be pardoned if they take a measure of satisfaction in these accomplishments of a mere ten years!

The Lines of the Contributors' Interests

SECONDLY, WE MAY TAKE a glance at the lines of study and research that have been furthered. Adolph Lowe's *Economics and Sociology: A Plea for Cooperation in the Social Sciences* (1935) was one of the works that was a direct inspiration of our venture. In Morris Ginsberg's foreword to it, the concern of John Stuart Mill and August Comte over the complexity and interrelatedness of social phenomena is recalled. Professor Ginsberg quotes Alfred Marshall's reaction to these concerns in his Inaugural Lecture in 1885.

> It is vain [Marshall said] to speak of the higher authority of a unified social science. No doubt if that existed economics would gladly find shelter under its wings. But it does not exist; it shows no signs of coming into existence. There is no use in waiting idly for it; we must do what we can with our present resources.

It is still true today, as it was sixty-five years ago, that no unified or integrated social science exists. But it is no longer as true today as it was sixteen years ago, or ten years ago when this review was founded, that cooperation in the social sciences is an uncommon thing. Ginsberg, writing as a sociologist, declared: "The need for such cooperation is clear, but can sociologists deliver the goods?" If he had been an economist, it is the economists he would have taxed with his rhetorical question. The past ten years, in our own and in other circles, have given the answer, and it is an affirmative one.

Indeed, the friendly welcome and the consistent aid given this *Journal* by the officers and leading lights of learned societies and scholarly reviews and by other leading scholars demand that we make heartfelt acknowledgment. On our own record (which is only part of the story) we

have ample evidence that cooperation in the social sciences is the rule rather than the exception. The need for it, apparently, had become obvious on all sides. It required only the occasion to call it forth into being. Moreover, since this *Journal* was founded, half a dozen similar ventures in cooperation in the social sciences have been established in various parts of the world. We follow their fortunes with the anxiety bred of our kinship.

It cannot be said, therefore, that there are no signs of a unified or integrated social science coming into existence. But we all know that there are many problems to be solved before the portents can be verified. How well along are we in the solution of such problems? The answer would require survey of a vast literature; I shall make partial answer from the pages of our own *Journal.*

The central problem in the way of integration in the social sciences, the necessary preliminary to a unified social science, is the problem of value. From the first issue, when "Science and Values in a Changing World" appeared, to the present one, in which "Perception and Value Inquiry" appears, there have been a succession of papers dealing with this central problem from a host of brilliant minds. It is for the reader to judge the progress that has been made; I content myself with the remark that to my mind the field for debate is being sharply narrowed. That this line will be pursued in future issues goes without saying.

The practice of the team approach to specific problems is exemplified by too many papers to warrant singling out any one. The practice of the unified approach is still uncommon. Outstanding examples of it were given in the studies of "Japan and Western Europe" and in "Primitive and Machine Age Productivity." It was the method employed in our studies of the rise of monopoly capitalism in England and of the bases of social instability in several of the Latin American countries.

These problems of methodology, studied not in isolation as a kind of logic-chopping but in practical application, continue to engage us still, as I suppose they will for a long time to come.

But we take them as they come, we do not concentrate upon them. They share our interest only; they do not dominate it. Our prospectus was an act of faith. It declared our belief that the technological powers of science, under certain conditions, already offer material for a rational social and economic organization. It asserted that the social sciences comprise man's best hope for social improvement when they are paced by moral and practical development and dominated by consideration for human values.

Our prospectus declared that the conditions implied a special dedication

of the scientific method and the philosophical process toward achieving rational control over the evils and imperfections of our society. It expressed the belief that the conviction is spreading that this called for the development of *practical means* (a) for improving the spirit of society, its social ethic; (b) for abolishing the quasi-monopoly of man's natural environment; (c) for bringing order into the chaos of the tax system; (d) for abolishing industrial monopolies and all special privileges; (e) for aiding the experiments in voluntary cooperation which provide the only substitutes for State paternalism.

What we sought, in a word, were practical means "for liberating the free spirit of man."

The Application of Science to Human Affairs

CONSIDER FOR A MOMENT the papers we have published that fall under one or another of these headings. We have ranged the history of western and eastern civilization to trace the constructive elements in the spirit of our society to their well-springs. In our efforts to find practical means for abolishing the quasi-monopoly of man's natural environment, we have ranged the history of land reform, from the time of the Hittites, the ancient Hebrews and the Ainu to that of the tribes in our own day. We have investigated such technical problems as that of developing a mathematical formula for the productivity allowance. We have recounted and critically examined modern programs in this field.

Similarly we approached the problem of tax chaos. From early Yemen to modern Japan, we have investigated it as it appeared in a variety of times and places. We have pursued the technical aspects of the problem as they confront us in our own time and place; and we have taken delight in recalling Sidney Smith's classic expostulation that sums up its whole history. In the abolition of industrial monopolies and all special privileges, we have been concerned with the businessmen's conspiracies of which Adam Smith spoke so sharply, and the laboring men's conspiracies, of which he had little inkling, as well as with the conspiracies of both together which we are only beginning to appreciate. Yet we have been equally concerned with the discriminations against groups because of race, sex, faith, nationality or cultural affiliation; with control over the exploitation of child labor, and similar problems which persons of narrow social vision might consider the smaller ones.

Our interest in experiments in voluntary cooperation has ranged from the arrangements in primitive communities to the advanced agricultural communities in Palestine. Industrial and cultural experiments as well as

agricultural ones have engaged our studies. We have been as interested in the way voluntary groups abolished the exploitation of child labor in chimney-sweeping in nineteenth century England as in the way political groups attacked the street car monopoly in Cleveland. Forms of organization and forms of enterprise have been subjected to our analytical apparatus. With what results we leave it to our readers to judge.

It was inevitable that this conviction should muster Thomas Jefferson, James and John Stuart Mill, Henry George and Franz Oppenheimer in opposition to Karl Marx, Friedrich Engels, V. I. Lenin and Joseph Stalin. It was inevitable that it should challenge the greatest threat to human freedom, the rise of socialism in its Marxian and its Fascist forms, with the only social philosophy that meets it on common ground, that of radical liberalism.

Thus our analyses of Marx and his followers, their ideas and their influence, have been many. And they have been matched by equally many papers on George and his predecessors and successors. We have combed the history of Marxian socialism with the insights of the historian, the political and social analyst and the economist. Equally scrupulous and many-vistaed have been our reconstruction of the history of radical liberalism. On occasions we have shocked colleagues who mistakenly consider the problem of scientific objectivity a settled one by expressions of our faith in ethical democracy and of our disbelief in competing doctrines.

All these interests we shall continue to pursue, in further directions and, if neighbor sciences permit, further back in time. We are interested in the pursuit of knowledge for its own sake, certainly. But we are interested even more in the pursuit of knowledge for the sake of developing practical means of liberating the free spirit of man. In that direction alone, we believe, lies the salvation of our Judaeo-Christian civilization from the overwhelming dangers that threaten it at home and abroad, in vast masses of men abroad—and in our own hearts.

The Influence of *The Journal*

IT REMAINS TO SAY a word about our influence. As the reader will have noted, our influence in intellectual circles here and abroad is indicated by the record just recited. The number of our contributors continues to grow, and many of our past contributors continue to work in this field. Indeed, in this day of constantly rising printing costs, our chief problem is to find the means for publishing the minimum of papers that should be accommodated. Other journals have helped to provide an outlet for such studies, and to their editors we owe our gratitude. Our active collabora-

tors, hardly with an exception, are as enthused today and as devoted as when first we began.

Modesty obliges us to be circumspect in referring to our influence upon policy-makers. But surely the vast amount of space we have devoted from the beginning to land reform entitles us to be heard upon that subject. Except for occasional brilliant studies in a few journals, notably *Land Economics* and *Rural Sociology* (may their tribe increase!), this *Journal* has been the only scholarly review to press this issue. The adoption of land reform as a basic element of the foreign policy of the United States is evidence that the work of the scholars who have specialized in this field has not gone for nothing. Of course, we should be happier if the understanding of it in policy-making circles had taken a more practical form, and if it were realized that we need it as much at home as do the recipients of our aid abroad. But that will come. Meanwhile we can take satisfaction in the partial victory that has been won so long as complacency does not lose us the full victory we are determined to achieve.

Similarly we are entitled to be heard, by sheer weight of production alone, on the subject of Marx and George. When we began ten years ago, Marx was a name to conjure with. Many of the forward-looking scholars were dazzled by the legendary aura that faithful disciples and their dupes had evoked about him. Partly as a result of our probings, partly as a result of the tappings of others, the idol has been found to have feet of clay. George, on the other hand, was coming to be set down in intellectual circles with no first hand knowledge of his writings or influence ten years ago as a mountebank or, at best, as a latter-day utopian not worth bothering about. Today, largely as a result of the studies of members of our group, his originality as an economist and his permanent contributions to social philosophy and particularly radical liberal thought are widely acknowledged, not only in the United States which today acknowledges him as one of the greatest of its social thinkers, but abroad.

In all these fields we have done much, but we have only scratched the surface in a mere ten years. We expect to cultivate them more assiduously in the future, to explore areas to which the independent scholar has not yet been tempted, to overcome our obvious shortcomings and rise above our discernible limitations.

This truly has been "a venture in cooperation between the social sciences and related disciplines toward constructive synthesis in social thought." It has been a demonstration that in this day of great wonders coming from the organized research of the great laboratories and statistical bureaus, the individual scholar still has his all-important contribution to make, one

without which science and philosophy would be immeasurably poorer. It has been a practical test of an experiment in voluntary cooperation that has proved that an individual can enjoy all the advantages of collective enterprise without being swallowed up in a collectivity.

For the measure of success that that venture, that demonstration, that test has met with, we are indebted to the labors of each one who has taken part, those named and those who must go unnamed but no less appreciated. The present writer, as editor-in-chief, and Miss V. G. Peterson, as secretary-treasurer, who have borne the chief responsibility during these ten years, join in the hope that each collaborator has found a measure of satisfaction in the work accomplished. It is our further hope that all who have taken part in the enterprise thus far will carry on with determination and persistence until our goals shall have been won, man freed from the shackles of ignorance, superstition and custom that bind him and society freed of the barriers and morasses that block the growth of the individual to the stature ordained in nature for him. God willing, some of us will live to see the day and others will be remembered for having hastened it.

WILL LISSNER

Prospectus

THE AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY has been founded by a group of specialists in the social sciences and in moral and social philosophy, in association with men of affairs, to serve as a stimulus to investigation of special types of problems in these fields and as a medium of publication for such studies. Its interests are confined to problems that gain recognition in the growing awareness of the scientist and the scholar of his added social responsibility in a time of world-wide cultural crisis.

The progress of science, once the center of man's hopes for the orderly amelioration of material conditions, has produced the horrors of total war and of mass and technological unemployment. The tremendous multiplication of specialized knowledge and the irreconcilable divergences of social tendencies characteristic of our era have caused a decline in the prestige of philosophy. This loss of leadership has been shared by the social sciences, for, dealing in their problems of policy with ends and purposes, these must look to philosophy for guidance upon the consequent judgments of value.

Yet, developed with reference to human needs and human practical controls, the technological powers of science offer the material for a rational social and economic organization. Founded upon recognition of the dignity of the human person and of man's unique rôle in society, the philosophical

disciplines generate ideas that inspire and direct thinking in the fields of the social studies. Paced by moral and practical development and dominated by consideration for human values, the social sciences comprise man's best hope for social improvement.

The conditions imply a special dedication of the scientific method and the philosophical process. Contemporary opinion seems agreed that social improvement must be sought in the rational control of disease, of poverty and of inequitable economic arrangements—arrangements that find no sanction in reason or morals—of social and political tension and of war. The conviction is spreading that the solution involves the development of practical means for improving the spirit of society, its social ethic; for abolishing the quasi-monopoly of man's natural environment; for bringing order into the chaos of the tax system; for abolishing industrial monopolies and all special privileges; for aiding the experiments in voluntary co-operation which provide the only substitutes for State paternalism—in a word, means for liberating the free spirit of man.

In this conviction the founders have established this quarterly review to foster study and discussion of the problems and issues involved in that rational control from the point of view of the relevant social sciences and philosophical disciplines by providing a suitable medium of publication devoted entirely to these special studies.

Pre-supposed in the common denominator of its collaborators' varying viewpoints is a tendency toward a modern social reform orientation. Its founders, being predominantly Americans, and therefore susceptible to American tendencies in social and philosophical thought, are very largely drawn from among those who have been influenced, to some degree, by the social rationalism projected into American social studies by the social philosopher, Henry George. The interests of the review will reflect this tendency. Its founders have welcomed to their circle specialists of divergent tendencies as a stimulus to fruitful inquiry.

What the project amounts, to then, is a venture in cooperation between the social sciences and related disciplines toward constructive synthesis in social thought. Whether this synthesis can best be achieved by a unified approach or by a collaboration in specialized approaches is left to the collaborators to discover. For the need of such cooperation one need not plead beyond the aim of specialized inquiry, reproduction of the structure of reality; the concept of reality knows no specialist borders. The *Journal* will serve its purpose if it gives ample voice to those specialists who are trying to cope with the challenge that modern society presents to them.

W. L.

Common and Individual Rights in Land

MEN'S RIGHTS TO THE LAND have been asserted by a long series of social philosophers. They ranged, to recall only a few, from the Fathers of the Church, to Paine and Jefferson in the eighteenth century, to Mill, Spencer and George in the nineteenth and to Dewey, Russell and Monnier in the twentieth.

But in most of the assertions there lurked a contradiction. Either the common right, which is the equal right of all men by virtue of their humanity, abridged the individual right, which is the right of each human person by virtue of his personality, or the individual right contradicted the common right.

This contradiction persisted until it was resolved by social philosophers in the last decade or two. The contradiction was illustrated in the encyclical *Rerum novarum* of Pope Leo XIII. Its resolution was summarized in the world address of Pope Pius XII of Sept. 1, 1944.[1]

What is of moment is that the philosophical solution is now receiving world-wide distribution through the International Union for Land Value Taxation and Free Trade,[2] of which J. Rupert Mason is president and the veteran land reformer, Arthur W. Madsen, secretary. It was adopted by the Seventh International Conference to Promote Land Value Taxation and Free Trade, a gathering at Swanwick, Derbyshire, England, on Aug. 14 to 21, 1949, attended by land reformers from many countries.

The definition of human rights in the land is presented in a "Resolution on Individual and Common Rights in Land" circulated along with a "Declaration of Principle and Policy". The declaration has more limited appeal, as it seems to be a leaf out of the book of the Liberal Liberty League of England. But the resolution on rights in land is worthy of universal acceptance. The International Union has published it in English, French, Spanish, Italian, German, Portuguese, Danish and Esperanto versions and already it is winning wide notice in scattered parts of the earth. Mr. Madsen and his collaborators deserve the gratitude and aid of all who appreciate the basic importance of the land question in our time, and the contribution that clear thinking can make to its solution.

W. L.

[1] Space does not permit me to go into the details of the controversy, which were given in my paper, "Natural Law and Human Rights in Agriculture," presented Nov. 13, 1944 before the National Catholic Rural Life Conference. It will be covered, at any rate, in my larger paper, "Human Rights in Natural Resources," to be published in the next volume of this *Journal*.

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Perception and Value Inquiry

By HORACE S. FRIES

THE GROWING INTEREST in semantics signifies a breakdown in communication. It is not surprising that this breakdown has been carried into the area of social inquiry. Here it shows up most clearly, perhaps, in questions about value, and in particular in issues over normative and descriptive procedures.

At the risk of over-simplification we may set up the basic issue as follows: On the one side is the recognition of the importance of descriptive correlation of value phenomena but with insistence that normative evaluation must be excluded in the interest of scientific objectivity. On the other side we find the claim that description itself cannot be made without commitment to some normative frame or bias and that therefore scientific integrity imposes the obligation to make as explicit as possible what our value commitments are.

If the question were merely semantic, if it were merely a matter of the careful use of terms, we ought to be able to disagree intelligently in our answers to it. Intelligent controversy, I take it, is controversy in which we find out just where and why we disagree and then proceed to institute inquiries to settle the disagreements. If so, then current controversy over the value question in inquiry is hardly intelligent; and it is doubtful whether it can be made more intelligent merely by refined verbalizations. However explicitly we verbalize our value commitments, they can hardly be made dependable or reliable except as they are based on reliable value judgments. There is plenty of psychological-cultural evidence that the meanings of terms cannot be separated from a cultural context that reaches into sub-vocal, non-rational, or "unconscious" levels or processes. However, if our hypothesis about meaning is itself taken seriously as a guide to social inquiry, it might lead us out of an otherwise deepening verbal morass with its accompanying waste of futile research effort.

I

FORTUNATELY EXPERIMENTAL EVIDENCE is now available which bears directly on this hypothesis. Furthermore, the procedures which provided this evidence give promise of two crucial achievements: (1) In the first place they constitute an actual technique for the investigation of the

dynamics of meaning and value, and (2) secondly, they raise significant questions about the problem which can be attacked by other techniques of inquiry [*9*]. However, in order to be tested, in order even for its supporting evidence to be understood, the hypothesis that meaning and value are integrally related must be tentatively accepted. This will not be done by those who feel that they already have the final scientific answer to the normative question. But to those who are troubled by this question, to those who experience hitches in their own thinking about social inquiry, both the hypothesis and the experimental findings will provide liberating and fruitful leads.

The evidence and procedures referred to are to be found in the demonstrations in visual perception developed at the Institute for Associated Research, formerly the Hanover Institute, Hanover, New Hampshire, under the direction of Adelbert Ames, Jr. [*1, 2, 3*]. Following earlier fundamental investigations in optics, the psychological findings have only recently crystalized sufficiently to become incorporated in psychological literature [*5*]. This has been made possible by collaboration with Professors Hadley Cantril [*4*], Merle Lawrence [*15*], W. H. Ittelson [*11,12*], and F. P. Kilpatrick [*14*], all of Princeton, Earl Kelly [*13*], and Marie Rasey [*18*], of Wayne University, and A. H. Hastorf [*10*], of Dartmouth.

Similar principles to those developed at the Hanover Institute were hit on independently by Professor Hoyt L. Sherman of the Department of Fine and Applied Arts at Ohio State University in his studies of art. In collaboration with Professor Ross L. Mooney of the Bureau of Educational Research and with the assistance of Professor Glenn Fry, Director of the School of Optometry, he has worked out a Flash Technique which lends itself at once to significant educational purposes as well as to fruitful inquiry into meaning and value [*19*].

This is a technique for *integrating* visual with tactual-kinesthetic responses in a functionally structured situation. Simple (and gradually more complicated) patterns are exposed on a screen in a darkened room for a tenth of a second, and students then draw "what they saw," also in the dark. In a period of six weeks (five days a week and for twenty minutes a day after partial dark-adaptation) striking results have been obtained by subjects with no special interest or aptitude in drawing or art. Measured increases in peripheral visual acuity have been demonstrated, and there are clear indications that the increased co-ordination is carried over into the functional activities toward which the training may be directed during the latter part of the period; *e.g.*, football and basketball passing and dental

activities. How much transfer will occur from training in one specialized function to another and the determination of conditions favorable for transfer and for the maintenance of the integrated responses are questions which are begging for further intensive investigation.

An example of the integrated response is provided by the football passer who throws the ball upon seeing at a glance the deployed players. He does not have to move his head or eyes about in an effort to concentrate on different focal points. On the other hand, the untrained passer has to depend more upon the co-ordination of several separate acts of vision into a hurried idea of the disposition of the players and then make his pass in accordance with his idea. The Flash training unifies the total visual field with the muscular requirements of the situation, thus cutting down the intervening processes which otherwise would be necessary to complete the act.

The normative evaluative aspects of this process may not be evident at first glance. No social inquirer, I suppose, denies the reality and importance of evaluational procedures involved in selection of means to accomplish ends-in-view or aims. But the traditional cultural pattern which imposes on all of us an artificial separation of means from ends also imposes the doubt as to the *normative* content of such a process. "*Given* the end," we tend to say, "of course there must be a selection of means and instrumentalities. But the normative question is concerned with the selection or establishing of ends."

However, even this traditional block to the solution of our basic issue would not be sufficient to curtail experimental progress in the new procedures were it not accompanied by a corollary assumption that such "non-normative" estimates of means and techniques are entirely "rational" or verbalizable procedures. For when we recognize what the demonstrations and the Flash Technique show, we see readily that such estimates of "means" involve highly complex processes made up of patterns of past experience which may be and usually are entirely unrecognized, certainly unarticulated verbally, by the subject. Hence, further inquiry along these lines will throw light on the estimating procedure, and will help us to understand the actual dynamics (in contrast with conscious "rational" verbalizations about the procedure) of the formulation of "sub-aims" within the so-called "given end." Then, if my assumption is correct that the means-end dualism is vicious intellectually as well as morally, we would automatically learn more about the processes involved in the formulation of the so-called and mis-called "given end." Later, I shall try to commu-

nicate a conceptual frame-work which leads to just this consequence from the examination of the meaning of "successful action" in the Hanover demonstrations. In the meantime, however, we note the significant fact that the Flash training is an *esthetic* training. Even a casual survey of the case accounts of the Flash subjects, including a survey of their drawings, indicates clearly an *improved* esthetic response, in some significant sense of the term "improved." The promise of both the Flash Technique and the Hanover demonstrations is further operational understanding of the sense of this term.

II

ONE OTHER NOTABLE and closely related consequence of both the Flash training and the demonstrations should be noted. This is the therapeutic results which are dramatically evident in some of the cases (both of the Flash training and of the experience of the demonstrations) and not evident in others. These effects literally cry for further investigation which will transform the therapeutic tendencies into controlled factors. I am glad to report that, at least in connection with the demonstrations, projects for this purpose are getting under way. But what is needed at once, both for democratic practices and for social inquiry, is a whole system of perception clinics throughout our educational institutions in which educational practice can be fruitfully combined with co-operative inquiry into these crucial factors [*9*].

In the meantime, again, any one who, as noted above, actually experiences hitches in his own thinking about the fundamentals of social inquiry and who is willing seriously to entertain our hypothesis about the dualistic dislocations in modern culture (*e.g.*, between meaning and "value") can readily understand why the therapeutic consequences emerge from the visual demonstrations.

Whitehead has observed the one-time familiar fact that "an inhibition of familiar sense-data provokes the terrifying sense of vague presences, effective for good or evil over our fate" [*21*]. The Hanover demonstrations make use of artificially induced illusions for simplifying the visual field for purposes of inquiry. The novel perceptual forms that arise, as visual cues are manipulated in the laboratory, readily evoke a sense of the melting of the "hard facts" of the perceptual world into a fluid realm of potentialities. Such experiences provide a definite jolt to any naïve observer (that is, to any one who is not committed to a set of fixed intellectual preconceptions). This jolting effect on our basic attitudes might not in itself be a blessing. The daily newspaper and radio accounts continually bombard our attitudes.

Instead of helping us, this promotes schizophrenic responses. But the jolt from the demonstrations is directional. It is restorative, like the intent of the traditional therapeutic shock treatment administered to the nervous system. The shock administered by the demonstrations is integrative simply because it weakens the cultural wall which has been built up between "fact" and normative value. The bare realization that "the normative" is not meaningless is sometimes itself therapeutic.

I shall try to indicate that *in fact* the Hanover demonstrations show conclusively that "fact" and "value" (in an important normative sense) are inherently related in perceptual experience. If this is true, it follows that the adequate investigation of "facts" cannot proceed indefinitely without a corresponding progress in the investigation of values. This is a difficult undertaking dialectically for the simple reason, implied in what has just been said, that, as the demonstrations show, the "hardest" and "coldest" of perceptual "facts" are themselves the products of deeply embedded unconscious assumptions or expectancies which themselves involve normative "judgments" or commitments. It follows that to experience certain "facts" in common we must have certain common unconscious assumptive habits.

However, in the social area we profess to be familiar with the claim of the cultural relativity of science; that is, that the activities and truths of science are themselves dependent upon other factors in culture with which they continually interact. For the purpose of understanding the novel Hanover findings it is only necessary that we take this claim seriously. It may be a debunking of science to take it down from its high pedestal as a search for eternal Truth, but if so, it is a debunking which is necessary for the very health, not to mention the survival, of science and its encompassing culture. On the other hand we should avoid the opposite fallacy, which follows from our traditional separation of theory and practice, of reducing science to *merely* "practical" inquiries. We aim for a unification of theory and practice, not for the subordination of either to the other.

III

DEWEY'S LOGIC OF INQUIRY provides a relativistic bio-cultural foundation for science which overcomes the traditional subjective-objective dichotomy. The progress of experimental science is seen as the progressive reformulation of difficulties into more adequate problems; that is, into problems the solutions of which constitute progressively more adequate resolutions of the difficulties which generate the problems. The highly specialized techniques and subject-matters of science in one very narrow aspect of our

culture, the technological aspect, tends to blind us to its cultural dependence. But there is no hope that "isolated" scientific progress can continue in the face of the mounting difficulties in its environing cultural medium. Unless these "external" cultural difficulties can be organized into problems which allow of progressive solution, resolution, and reformulation, our so-called "scientific" civilization can hardly survive.

The aim of science can be defined as the aim to *improve* the instruments of control. Without committing us to a logical separation between so-called "pure" and applied science, this definition enables us to distinguish adequately between the two as they have developed to date. The latter uses scientific concepts for whatever practical purposes of control are at hand. The former "uses" them in the laboratory for the purpose of improving them. The corresponding differential means can be clearly seen to be the concern of so-called "pure" science to organize its concepts in accordance with the principle of "logical simplicity" or "logical unity" as it has been called [*8*].

This operational definition of science is formulated deliberately for the purpose of carrying it into social inquiry. The only variable which needs further specification for this purpose is the concept of "control" and its corollary "improved instruments of control." Perhaps the simplest way to suggest the presence of "ethical-esthetic" normative factors in the concept of *human* "control" is to examine some of the implications of our definition as they bear on the relation between art and science.

We profess to have learned long since that feeling and thought are not separated faculties in individual minds. But we have not begun to incorporate this lesson in our educational and research activities. Yet if we take seriously the idea of the cultural relativity of science it is easy to see that science cannot alone provide us with increasingly dependable instruments of control unless some activities in our experience provide us with increasingly dependable *feelings*, or sub-vocal, non-rational sensitivities. Without arguing here the propriety of naming these latter activities "art," we shall examine the necessity for them from the side of science.

We shall use the term "concepts" to name the ideational phases of the activities of formulating difficulties into problems. A concept must be relevant to a problem before the question of the truth or dependability of the concept has any meaning. One initial criterion of relevance involves *feeling*. Hence, part of the test of instrumentalities for formulating problems is what Lindeman has called "emotional sanctions" or dependable feelings. This factor of dependable feelings arises into prominence in

radical scientific discoveries [*20*]. Within the social area it becomes evident in times of social crises, and contributes to the popularity of mystical endeavors at such times. In stable times, however, habitual patterns of response (folkways) keep the factor of emotional sanctions operating at relatively automatic levels. Under such conditions, problematic situations are found to be relevantly similar to previous problems. Habitual ways of formulating problems prove to be relatively adequate. More or less usual concepts employed in more or less usual ways will serve to organize materials in the problematic situation in a way to provide a place for a working hypothesis as a candidate for a solution. And under such (stable) conditions the successful solution of the problem will usually be found to be a relatively satisfactory and *just* resolution of the difficulties; that is, satisfactory and *just* relative to the standards and emotional sanctions of the folkways.

However, as social novelties rapidly accumulate, the situation changes. Habitual formulations and solutions begin to break down. They provide progressively less adequate resolutions. Under these conditions, adequate consideration of problems (and therefore adequate resolutions) require new concepts. If the concepts are not provided, reason begins its threatening retreat.

If we will think of sets of concepts as flexible tools for organizing the elements of problems, we can say that in proportion to the novelty of the problematic situation a new *feel* for the use of the conceptual tools must be "intuited" to re-fit them to the novel materials. In order adequately to raise or discuss problems presented by novel situations there must be a non-conceptual sensitivity to the materials which, as it were, dissolves the rigid boundaries of traditional concepts without breach of continuity of their meanings, and precipitates them again in the form of new crystals to be employed for the new problems.

Dewey's philosophy, as would be expected if it is an integral whole, provides a theory to guide us in effecting the cultural unification of art and science called for by his logic of inquiry. *Art as Experience* enables us, for the first time since the advent of modern science, to make relevant theoretical sense—that is, scientific sense—of the important ethical-esthetic concept of *depth* of experience. This factor can be thought of rather simply in terms of the *integration* of purposes achieved in experience. Integration provides for total satisfaction, to a degree, instead of fractionated partial satisfactions in terms of "material," "economic," "recreational" (in the unhealthy compensative sense), "individual," and other compart-

mentalized categories including that of "esthetics" itself when the "esthetic experience" is artificially set aside as a special *part* of experience. Our cultural means-ends difficulties, in turn, can be thought of in terms of serious conflicts among these fractionated aspects of experience such that the "satisfaction" of one fraction interferes with that of the others.

The Hanover demonstrations and the Flash Technique offer specific experimental content for Dewey's theory. They offer operational definitions, and hence experimental procedures for progressive clarification of the crucial normative terms, *depth* and *integration*. The ground for this claim in regard to the Flash Technique has been suggested. We turn now to the demonstrations.

IV

ALL OF US are familiar with the fact of visual illusions. But very few psychologists have taken them seriously as potential sources of experimental insight into perceptual processes. The total battery of demonstrations developed at the Hanover Institute should be experienced at first hand to get a full realization of their significance. But careful analysis of one or two of them can provide fruitful leads.

One of the very simplest and clearest is a star-point phenomenon with which most of us are familiar. Let *A* be the brighter of two star points, *A* and *B*, at an *equal* distance and in about the same direction from the observer who views them with one eye. *Usually* the observer will see *A* as nearer than *B*. (The term "usually" in the preceding sentence is of crucial significance as will be explained presently). Evidently the observer *acted* (*e.g.*, perceived) on the *expectation* that the objects are of equal brightness. For *if* the two points were of equal brightness, then on the basis of his past experience the observer would have good reason to act as though the brighter point were nearer.

Taking account of the precautions imposed by the other demonstrations, we may generalize as follows: The perceptual phases of action are prognostic directives (signals) for action (human action being defined as purposive): they are not disclosures of things in their own right. That is, the epistemological function of perception is to guide action in securing its purposes. Hence the only way we can learn about our environment (and ourselves) is by trial-and-error (and its refinement in experimental inquiry which must be specified in terms of its purposes). The organism, its organs (including hands and eyes), its perceptions, purposes, ideas, etc., are instrumental means in continuous *interaction* with environmental instrumentalities (*e.g.*, air and artifacts). The "interaction" referred to cannot

be conceived in a mechanistic framework in which the instrumentalities preserve a fixed structural identity. On the contrary, each organic-environmental *interaction* is a *transactional* affair which modifies to some extent the instrumentalities involved and *included* in the transaction [*7*]. Structure must be interpreted in terms of function, and the only test of adequate functioning is integration of all the factors involved. We customarily classify these factors as aims or values and as means or instrumentalities. But the adequate test and use of our classifications can be found only in the way they promote or interfere with each total interactive situation or transaction. The moment we freeze an instrumental distinction into an ontological separation we add a new difficulty or block to the achieving of mutual adaptivity of the factors involved. If we think of ideas and concepts (*i.e.*, intellectual factors) as relatively structured instrumental processes for promoting integration, it is easy to see why in order to function successfully they must be supplemented by perceptual sensitivities to the dynamics of all the factors involved in a transaction. Hence, the pathology of "intellectualism" which is the loss of effective connection between ideas and the flow of social processes. Psychology and anthropology have learned well the lesson that we cannot study human nature simply by taking account of our verbalizations. But we have hardly begun to learn the futility of study of the phases of human activity taken in isolation from the rôle they play in total transactional processes which include both organism and environment which, in turn, includes other organisms.

Let us turn again to the demonstrations. Involved in the usual perception of the two star points was the expectation that the objects are of equal brightness. Generalizing again we may specify this as the *habitual assumption* (of which, of course, the observer is normally unaware) *that similar things are identical.* Thus the term "assumptions" becomes the name for the (dynamic) ways in which our past experiences become organized and reorganized or integrated into patterns of behavior. These patterns function as more or less dependable weighted averages which constitute our behavioral expectancies. As several of the demonstrations show, they take precedence over mere information about the objective situation except as this information plays a part in successful action in the perceptual situation. *Successful* practice in an illusory situation definitely tends to remove the illusion and to establish helpful prognostic directives. We skip the significant educational implications of this fact [*13*]. Noting that *success* involves the realization of purposes, we see how the demon-

strations pave the way to normative, ethical-esthetic investigations. We should also note the methodological point that precise specification of the terms employed in stating an assumption is a matter of progressive specification as the investigations proceed. The terms "similar" and "identical," for example, in the assumption that similar things are identical will get their precise meaning in relation to the purposes involved in the perceptual situations in which the assumption is elicited. Items (*i.e.*, data) which function for certain purposes (*e.g.*, in a golf game) as similarities may for other purposes (*e.g.*, mowing the grass) function as identities. Similarly, in regard to whether or not a specific assumption will be elicited in a situation. It will depend upon the purposes and upon the total complex of assumptions involved. Hence, the necessity of qualifying all predictions with the term "usually," unless they are made with full knowledge of all the other assumptions that will be elicited.

The Hanover demonstrations provide findings and research techniques for the progressive specification of these perceptive assumptions. From one of the simplest demonstrations, the two star points, we jump to one of the most complex developed to date. This is the trapezoidal window [3].

Under controlled conditions an observer views a small (about 9 by 12 inch) window-like object shaped like a trapezoid, a plane four-sided figure with two parallel sides. It may be viewed with one eye at about 10 feet or with two eyes at about 25 feet. The trapezoidal window revolves slowly about its vertical axis. It will be seen, however, as a rectangular window of changing length. Instead of appearing to revolve it will appear to oscillate back and forth through an angle of about 100 degrees and with a regularly changing speed.

The calculation of the stimuli patterns interacting in focus in the retina show the following: The patterns are about those which would be interacting were the object seen a rectangular window located where the illusory rectangular window ("objectively" the trapezoidal window) appears to be located (approximately where the trapezoidal window is in fact located) and oscillating about the way the illusory rectangular window appears to be oscillating and of a changing length of about the illusory changing length of the illusory window.

In other words, in this set-up the total situation elicits the assumption that the object is rectangular. Hence it will be seen about as the rectangular object would be seen under the circumstances. That is, under such circumstances what the organism has to work with by means of the eyes is about the same material which it has habitually worked with as an oscillating rectangular window of a given size, at a given distance, etc.

V

THIS DEMONSTRATION ALONE might leave the impression (which is a firm belief on the part of many psychologists and philosophers) that although there is no exact one-to-one correspondence between a perceived object and an environmental structure existing in its own right, yet there is an indirect correspondence established by a fixed relation between the perceived object (or some subtle aspect of a perception—*e.g.*, a sensum) and the stimulus pattern. In other words we might continue to hold the mistaken belief that perceptions are disclosures instead of prognostic directives for action. Experiments have shown that even binocular disparity, not to mention accommodation, does not provide for such correspondence [*12*]. But a further development of the trapezoidal demonstration shows the impossibility of conceiving consistently of such a hidden correspondence.

Mr. F. P. Kilpatrick [*14*] of Princeton, in collaboration with Mr. Ames, figured that if the rectangular illusion of the trapezoidal window is the result of a complex of assumptions (and not merely the result of a simple object to percept relation), then by leaving the object shape constant and varying some aspect of the assumptive complex (*e.g.*, assumed distance) it ought to be possible to establish a comparable illusion (*e.g.*, a rotating rectangular window which appears as an oscillating trapezoid).

Accordingly, a revolving rectangular window (about 6 by 4 inches) was used as a base. A distance and size illusion was induced by means of size cues (and an elicited assumption that similar things are identical). In this illusion the object appears to be 12 feet distant instead of actually 6 feet and correspondingly larger (about 12 by 8 inches).

Under these circumstances the revolving (6 by 4) rectangular window appears, as Kilpatrick predicted, as an oscillating trapezoidal window. The stimulus pattern with which the eye works is of the kind which can give an oscillating trapezoidal window (12 by 8) at 12 feet, and the assumptions elicited produced about this effect. As yet not all the assumptions elicited in this response have been specified. But the experiment shows the *ad hoc* nature of any assumption of fixed correspondence between a perceived and an hypostatized ontological object, and it illustrates the fruitfulness of the concept of perceptive *assumptions* for understanding the dynamics of past experience in perception.

It is impossible in the space at our disposal to describe the other refinements of the trapezoidal demonstration which have already been developed to investigate habitual assumptions [*14*]. They involve the perception of various objects placed on or through the trapezoidal window. Another

experiment has shown how different size assumptions can be elicited through verbal suggestions [*10*]. Nor can we describe here some of the other demonstrations (such as the distorted room and the sense of surety demonstrations) which have a direct bearing on social perceptions (*i.e.*, the perception of other people) and on the dynamics of purpose. Most of these are contained in a mimeographed manual [*2*], and will eventually be available in printed form as are a few of them at present [*15*]. But without taking account of these developments we have enough material to state systematically the logical structure of the new inquiry now opened up into "value-facts" or, what should be more properly named, "prognostic values."

The prognostic value of a perception may be said to be a function of three sets of inseparable factors which may be roughly grouped together as three variables: (1) the situation in which the perception occurs, (2) the controlling purposes of the action of which the perceptual act is a phase, and (3) the habitual perceptual assumptions or patterns of expectancies elicited in the situation. The success or failure (that is the value) of the actions and choices which ensue in the situation will be determined by the specific total relationship among these three variables.

The theoretical significance of this triad of variables is that it provides an operational approach to the definition and investigation of *successful* or *satisfactory* action or choice. The question as to whether such a definition is "descriptive" or "normative" would not arise were it not for the deeply engrained belief that the normative and descriptive are separate categories. But the demonstrations show conclusively that the prognostic value of a perception is not independent of the total organization of purposes and past experiences involved in the development of the situation. If a useful theoretical distinction is to be made between normative and descriptive propositions (something of which I am dubious), it will be in terms of the way they function in determining choice; it will not be—if we take the demonstrations seriously—in terms of two kinds of content (say the "existential" and the "ideal"); and it certainly will not be—contrary to the prevalent positivistic claim—that the descriptive proposition has a denotative or logical referent and the normative proposition has none.

It should be emphasized that the first of the three variables, the transactional situation, is in part, and crucially so, the producr of the habitual expectancies which are elicited in it. For the act of perceiving helps to create the developing situation in virtue of its function as signal. In perception and choice men help to create the changing reality of which they are a part. Our conceptual structures, like our perceptions, function

instrumentally in this task, and their only ultimate test is the quality of the reality created. Since the process is an internal (dynamically internal) transactional affair, values have their existence only in the living transactions. Each unique situation gives rise to its unique value quality, which may be an enhancing emergent value characterizing a higher level of achieved integration or a stagnating satisfaction indicative of the decline of integrative changes.

The educator and social inquirer can make their own applications of these findings and this point of view [*4, 5, 6, 9, 16, 17*]. It is apparent that on this basis, the only way mutual understanding can be deliberately achieved is by the progressive integration of common and individual habitual assumptions. This does not mean uniformity of assumption, purpose, or act. But it does mean the institution of activities which will promote integration; that is, mutual support and help among the new expectancies which are rapidly coming into existence in response to the rapidly changing artifacts of modern civilization. Through various mass media, art activities must provide for the articulation of perceptual cues which will meet the conceptual and practical requirements for co-operative activity imposed by science and technology. Science, in turn must incorporate in its conceptual structures (as functioning instrumentalities) a sensitivity to these cues and to the need for them. And finally technology must be redirected from its narrowly conceived commercial ends into channels which will support and welcome the esthetic-ethical requirements of the complex transactional situations of modern life.

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21. A. N. Whitehead, *Symbolism, its meaning and effect* (New York: Macmillan, 1927), pp. 42–3.

[*With a deep sense of loss, which we know our readers will share, we must report that Professor Fries died on Sept. 21, 1951, while this article was in press. Professor Fries was unable to read the proofs of his article; this was done for him by Keith McGary, assistant professor of philosophy at the University of Wisconsin. An obituary of our esteemed collaborator will appear in an early issue.*—EDITOR]

Techniques and Philosophy in Industrial Relations*

By WILLIAM H. KNOWLES

SOCIAL SCIENTISTS have developed many useful techniques for the improvement of industrial relations. An enumeration of these industrial relations techniques includes time study, incentive systems, and job evaluation for more equitable wage administration; testing devices for improved selection, and placement of workers; procedure for the orientation and training of new employees; socio-metric devices and the socio-drama; treatment of "accident prone" workers and the removal of safety hazards; clinical assistance for maladjusted workers; non-directive guidance; plans for economic security such as pensions, profit sharing, stock participation and an annual wage; provision for optimum standards of health and comfort for the reduction of illness and fatigue; and improved methods of communication through suggestion boxes, opinionaires, polls, depth interviews, company newspapers, and captive audiences.

Accompanying these techniques there is frequently a philosophy of industrial relations, sometimes explicit but too often implied to be the logical inference drawn from the techniques. The techniques themselves, however, are neutral and impersonal. It is the way in which they are used that is important. The same technique may be used to achieve different objectives (just as an axe may be used either to cut firewood or to commit murder). Confusion arising from failure to distinguish between technique and philosophy has led critics to reject a useful technique because of the philosophy which accompanied it. In spite of efforts to draw philosophical implications from these techniques, however, they do not carry connotations of how the socio-economic order should be arranged or where justice lies. It is not the techniques, it is the labor relations specialists who have a philosophy. Unfortunately, they often confuse their techniques, knowingly or unknowingly, with their philosophy.

From these techniques two conflicting philosophies (if extremes may be used) are developed; and it is the purpose of this paper to separate techniques from philosophies in labor relations. One philosophy is totalitarian in nature in that it seeks to keep all power in the hands of management, restrict the rights of workers, and shut out all competing loyalties and

* The writer wishes to express his indebtedness to Professor William H. Form for helpful suggestions.

interests. Totalitarianism is often described as a political system having only one party. While totalitarian philosophers of labor relations oppose politics as an unsound technique, management does constitute the political party (power élite) of the corporate institution and despite protestations to the contrary does "play politics" in the internal organization of the corporation. The institution of unionism may be viewed as a rival political party which totalitarians would destroy as unsound, or seek to control as an adjunct of management in the interests of industrial peace, efficiency and prosperity.[1] On the other extreme, with varying degrees between, is a democratic philosophy of industrial relations. It is democratic in that it places emphasis upon the right of organizational affiliation and participation (individual liberty) and the dignity of man; seeking to gain both freedom from arbitrary authority and vesting workers with status through democratic processes in industrial relations. The democratic philosophy holds *autonomous* unionism as sound in the interests of industrial peace, efficiency and prosperity.

The totalitarian philosophy places great emphasis upon the technique itself, to give indisputable answers to problems in industrial relations. Although the techniques are conceded not to be scientifically accurate in a strict laboratory sense, it is argued that the specialist should apply them without interference from outsiders. The specialist is felt to be better trained and more objective than workers or their representatives who would introduce "politics" and prejudices into the proceedings.[2] For instance, it is held that the wage structure would be more equitable if removed from the area of collective bargaining and placed in the hands of impartial experts hired by management.[3] Another example is the belief that most industrial unrest can be eliminated by psychiatric or psychological treatment. This has been described as the dictatorship of the experts.[4]

[1] Industrial relations in Soviet Russia provide an outstanding example of the totalitarian philosophy in practice. The Russians have enthusiastically adopted the techniques of scientific management (see Lenin, "Scientific Management and the Dictatorship of the Proletariat," in *Trade Unionism and Labor Problems*, edited by John R. Commons, 1921) and reduced labor unions to the rôle of the employee service auxiliary of management.

[2] See Ralph Presgrave, *The Dynamics of Time-study*, Toronto, University Press, 1944, foreword, ch. 1. For the opposing view see *War Labor Reports*, 23: 607; 25: 312; 21: 390, 653.

[3] See J. K. Louden, *Wage Incentives*, New York, Wiley, 1944, pp. 20, 161, 200–31; Lee Hill and Charles Hook, *Management at the Bargaining Table*, New York, McGraw-Hill, 1945, pp. 3, 56, 58, 59.

[4] J. R. Commons, *Industrial Goodwill*, New York, McGraw-Hill, 1921, pp. 19, 22, 177; William Leiserson, "Shop Committees" in *More Work per Man*, edited by J. H. Van Derventer, New York, Engineering Magazine, 1921, p. 260; Leiserson, "The Workers' Reaction to Scientific Management" in *Scientific Management Since Taylor*, edited by E. C. Hunt, New York, McGraw-Hill, 1924, p. 222; M. L. Cooke and Phillip Murray, *Organized Labor and Production*, New York, Harper, 1940, preface.

While not rejecting techniques entirely, those with a democratic philosophy emphasize the limitations of technique alone to solve industrial disputes. They argue that value judgments are hidden in the techniques which must be frankly faced.[5] Regardless of attempts at impartiality a degree of bias or prejudice is likely. This is particularly true when the specialists are hired by management to pursue policies decided by management. Now that labor unions are hiring their own specialists it becomes apparent that the same techniques can be used to further ends contradictory to management policies.[6] Management has no monopoly on technique. Since experts disagree on policy and in making judgments, those with a democratic philosophy relegate the technicians to the secondary rôle of adviser and consultant. Instead of anticipating a managerial revolution of specialists, the democratic viewpoint sees the locus of power with those holding political power. Accordingly, representatives of employers and employes are held to be the *principal* parties to labor relations while their respective bureaucracies are merely the agents.[7]

Another failing of the totalitarians is their often times inarticulate premise that techniques in the hands of experts can be used to control workers. Industrial psychologists of the behaviorist school believe that by controlling the industrial environment individual worker behavior can be controlled.[8] Extremists would control the total environment for total control.[9] The objective is to discover predictable stimulus-response situa-

[5] Regarding some of these techniques, Robert F. Hoxie said: "Scientific Management is, as it exists in spirit and results, undemocratic . . . and the attitude toward collective bargaining is usually tolerant only where it is not understood . . . a few adherents of Scientific Management are democratic in spirit and purpose. Some think themselves democratic, but in reality are adherents of a benevolent despotism. More are definitely committed to an autocratic attitude" (*Trade Unionism in the United States*, New York, Appleton-Century, 2d. ed. 1936, pp. 319–20). See also Sidney and Beatrice Webb, *Industrial Democracy*, London, Longmans, 1920, p. 7.

[6] William Gomberg, director, management engineering department, International Ladies Garment Workers Union, raises the issue of democratic values in his comment on the papers of Morris Viteles and N. R. F. Maier, *Proceedings*, Industrial Relations Research Association, Sept. 7, 1949, p. 51.

[7] Commons, *Industrial Goodwill, op. cit.*, p. 19.

[8] Hugo Muenstenberg defined industrial psychology as "producing most completely the influences on human minds which are desired in the interest of business" (M. S. Viteles, *Industrial Psychology*, New York, Norton, 1932, p. 42). See also Watkins and Dodd, *The Management of Labor Relations*, New York, McGraw-Hill, 1938, pp. 85, 86. For an excellent criticism of the value judgments made by management psychologists, see Clark Kerr's discussion (*Proceedings, op. cit.*, p. 105). C. Wright Mills gives a sociological analysis of management sociologists in which he explodes the "human relations" fad for controlling workers ("The Contributions of Sociology to Studies of Industrial Relations" in *Proceedings*, I.R.R.A., Dec. 29–30, 1948, p. 199).

[9] Lillian Gilbreth, *Psychology of Management*, New York, Sturgis, 1914, pp. 68, 255, 318; T. N. Whitehead, *Leadership in a Free Society*, Cambridge, Harvard, 1936, p. 185.

tions so that the specialist may obtain the worker-responses desired by management.[10] Management sociologists search for "social skills" with which to control cohesive social groups in industry for management's purposes and frequently for purposes opposed by the work-group itself.[11] Aside from their failure to control worker behavior, the idea of manipulating human beings as though they were devoid of different values or objectives and incapable of thinking for themselves is grossly undemocratic. It has been described as the science of pushing people around and making them like it.[12] Anti-totalitarians consider techniques as helpful tools used by free and independent institutional groups. Instead of considering labor relations as a problem of *action* by the expert and *reaction* by the workers, the democratic outlook stresses the interaction of labor and management upon one another.[13]

Justification for supermen capable of making mankind do their bidding is found in the inference that the experts know what is good for mankind. The experiment in Welfare Capitalism, a totalitarian welfare state, is an example of management doing "good" for workers without consulting the workers on the matter. Because of its totalitarian philosophy, Welfare Capitalism has been described as benevolent despotism. Benefits under Welfarism are given as gratuities, with many strings attached to them, rather than as rights.[14] The purpose of the program is to reduce the worker to a condition of servile dependence upon the employer. It is the philosophy, not the technique, that is totalitarian, for the Welfare schemes for economic security are now being incorporated into collective bargaining agreements.

Analysis of totalitarian philosophy reveals "good" to mean efficient production and maximum output.[15] This is for the benefit of society and

[10] H. P. Wald says, "This individual (the worker) constitutes as it were the raw material of the discipline; it is he that is to be trained, educated, controlled, and made efficient. It is he that must be tested, measured and compared" (*Psychology as a Science*, New York, Wiley, 1933, p. 14).

[11] See "The Fruitful Errors of Elton Mayo," *Fortune*, November 1946, p. 181; Mayo, *Human Problems of an Industrial Civilization*, New York, Macmillan, 1933, p. 168.

[12] Kenneth Boulding, address at Michigan State College Economics Seminar, May 9, 1950.

[13] See E. C. Lindeman, "Industrial Technique and Social Ethics," *Survey*, August 1923, p. 495; Mary Follet, "Constructive Conflict," in *Psychological Foundations of Business Management*, edited by H. C. Metcalf, Baltimore, Williams, 1926.

[14] L. A. Boettinger, *Employe Welfare Work*, New York, Ronald, 1923; Richard Lester, *Economics of Labor*, New York, Macmillan, 1941, p. 663; Merchant's Association of New York, *Report*, 1920, p. 171; Whitehead, op. cit., p. 173.

[15] See H. L. Garntt, *Work, Wages and Profits*, New York, Engineering Magazine, 1919, p. 52.

Democratic procedures in industrial relations are time consuming while totalitarian methods gets things done without interminable talk and endless committee meetings.[16] Democracy is tolerated in the national government but not in the important matters of industrial government. Although totalitarian industrial relations in this country does not raise issues of maximum production of *what goods*, and *for whom*, those with a democratic outlook would challenge the placing of efficient production above all other values. Being humanists, industrial democrats balance the importance of efficient production with other values which consider the welfare of the worker. Moreover, it is argued that in the long run democratic procedures are really more efficient because of the corrupting influence of totalitarian power on the one hand, and the natural tendencies of men to revolt and to sabotage authoritarian rule on the other hand.[17]

Further justification for the control of men and the arbitrary establishment of society's goals comes from the questionable assumption that management is made up of superior or "trained" men while workers are inferior beings.[18] Some psychologists view selection and placement techniques as grading devices for establishment of a caste system, discipline and training techniques as though workers were a plastic substance that could be bent to the will of superior intellects.[19] Many management sociologists draw unwarranted philosophical inferences from their empirical data to the effect that management constitutes the elite of society.[20] As an elite it should have unquestioned authority to rule. With scientific evidence at hand to explain phenomena of unionism the totalitarians conclude that management, not union leaders, should head the unions. With such a philosophy in mind they argue that the purpose of industrial relations justifies blind obedience to authority in the manufacturing process.

[16] Hill and Hook, *op. cit.*

[17] Commons, *Industrial Goodwill*, *op. cit.*, pp. 37, 122–4; Cooke and Murray, *op. cit.*; Clinton Golden and Harold Ruttenberg, *The Dynamics of Industrial Democracy*, New York, Harpers, 1942.

[18] Charles Gow remarks: "Society can be divided into two classes, the leaders and the led. The one gives loyal support, the other conscientious acceptance of its responsibility" (*Foundations of Human Engineering*, New York, Macmillan, 1932, p. 185). See also John Caulder, *Capital's Duty to the Wage Earner*, New York, Longmans, 1923.

[19] Norris A. Brisco says "An ideal working force is one having all places filled by men fitted by nature and training to their tasks and working with the greatest efficiency and co-operation for the success of the enterprise" (*Economics of Efficiency*, New York, Macmillan, 1914, p. 112). Horatio Dresser comments that psychology must make men to fit appropriate places in industry as well as evaluate ability (*Psychology in Theory and Application*, New York, Crowell, 1924, p. 249).

[20] See Whitehead, *op. cit.*, pp. 78, 110, 119, 155–72; Mayo, *op. cit.*, pp. 108, 174, 183, 85.

techniques is to seize control of unions for the management-elite.[21] Democrats would use these very same techniques within a framework of genuine collective bargaining.[22] The techniques themselves can be used for either purpose and do not indicate the nature of the socio-economic structure.

Another mark of the totalitarian is his absorbing interest in his profession to the exclusion of broad socio-economic issues. He claims to be interested only in applying his techniques within the existing framework of society with the modest hope that it will contribute to harmonious employe-employer relations.[23] Hiding behind this cloak of neutrality, the expert does in fact take sides. Usually the expert finds himself defending the status quo, claiming to be unaware of any fundamental causes for conflict, and pleased, for instance, that his improvements for the reduction of fatigue will mitigate industrial unrest. A democratic philosophy, in contrast, must recognize that as useful as these techniques may be, they may be used to perpetuate a social system. There are fundamental conflicts in labor relations for which the social scientist, as yet, at least, has found no answer. These conflicts go to the very heart of the structure of our society and we do not have as yet, a science of society which will resolve these issues. Science is unable to tell exactly the optimum output of a worker, or the wage he shall be paid. There is no scientific answer to the fundamental question of the correct distribution of the national income. This is a political and an ethical or moral problem.

To the extent that society utilizes techniques for the control of business cycles, economic security, and industrial expansion (all of which impinge upon the issues underlying industrial unrest) they are purely political rather than scientific. These institutional techniques, although democratically used in this country, are frequently opposed as socialistic, bureaucratic, and unfriendly to business interests. This does not mean that those with a totalitarian philosophy oppose planning. Indeed, most of the tech-

[21] See Mayo, *Social Problems of an Industrial Civilization*, Andover, Andover Press, 1945, p. 94. For a critical analysis, see Daniel Bell, "Adjusting Men to Machines," *Commentary*, January 1947. *Cf.* also Harold Sheppard, "The Treatment of Unionism in 'Managerial Sociology,'" *Am. Soc. Rev.*, April 1949, p. 310; Georges Friedman, "Philosophy Underlying the Hawthorne Investigation," tr. by W. Goode and H. Sheppard, *Social Forces*, December 1949, p. 204.

[22] See W. H. Form and D. C. Miller, *Industrial Sociology*, New York, Harper, 1950; H. S. Person, *Scientific Management in American Industry*, New York, Harper, 1929.

[23] On this point see Person, "Scientific Management," in *Scientific Management Since Taylor, op. cit.*, pp. 5, 11. He distinguishes between *management* which carries out policy and *administration* which makes basic policy. Accordingly he argues that management cannot be held responsible for the end results of its work. Nazi scientists made a similar argument in the war crimes trials.

niques of the Scientific Managers, industrial engineers, and labor relations experts involve planning. In particular, employe welfare plans, and schemes to give economic stability and security involve planning.[24] The essential difference, reflected in their philosophy, is that the planning shall be in the hands of the management oligarchy. Even national economic planning in the form of corporate amalgamation and industrial integration is applauded.[25] What is important to the totalitarian is that "politics," "politicians," and *government* bureaucrats keep out of the planning.

A recurrent issue in industrial relations is the degree of employe participation in the management (planning) of the firm. Those with a democratic philosophy see no harm, and much positive good, in the union demands for recognition, collective bargaining over conditions of work, a grievance procedure, and for arbitration. The under-dog position of workers in modern society is recognized. Aspirations of workers for participation in industrial democracy, and demands for justice under industrial common law is conceded as legitimate. Those with a totalitarian view emphasize property rights, the prerogatives of management, and the need for authority to gain efficiency. There is experimental evidence, nevertheless, that employe participation in the planning of the job is a necessary ingredient to harmonious industrial relations.[26] Recognizing this, totalitarians pay lip service to the idea, but their philosophy prevents its genuine acceptance. Accordingly, they espouse company dominated unions, whether they are the creatures of the company from its inception, or a captive union so enamoured with human relations palaver that it neglects union relations.[27] To maintain a pretence of employe participation the techniques of company newspapers, suggestion boxes, employe polling and interviewing and why-I-like-my-job contests are particularly appealing. These techniques, useful in themselves, are advocated because

[24] Person, "Contribution of Scientific Management to Industrial Problems," in *Scientific Management Since Taylor, op. cit.*, p. 35; H. Feldman, "New Emphasis on the Problem of Reducing Unemployment," *ibid.*

[25] See *Waste in Industry*, prepared for Herbert Hoover by Federated American Engineering Societies, New York, McGraw-Hill, 1921; Commons, *Institutional Economics*, New York, Macmillan, 1934, p. 84; Whitehead, *op. cit.*, pp. 175, 210; Mayo, *Human Problems*, etc., *op. cit.*, pp. 145, 167, 182.

[26] Watkins and Dodd, *op. cit.*, p. 6; Robert Valentine, "The Progressive Relation Between Efficiency and Consent," in *Scientific Management Since Taylor, op. cit.*, p. 203; Lester Coch and John P. French, "Overcoming Resistance to Change," *Human Relations*, 1 : 4 (1948) p. 512.

[27] Paul Douglas, "Shop Committees, Substitute or Supplement to Trade Unions," *Jour. Pol. Econ.*, February 1921, p. 89; K. Page, "A Steel Worker's Dilemma," *Review of Reviews*, August 1936, p. 23; Scott, Clotheir, Matthewson and Spriegle, *Personnel Management*, New York, McGraw-Hill, 1941, p. 390; Mayo, *Human Problems*, etc., *op. cit.*; Lewis Corey, "Human Relations or Union Relations," *Labor & Nation*, Spring 1950, p. 48.

they achieve a degree of participation in job administration while leaving the final decisions in the hands of management.

In collective bargaining, the grievance machinery and in arbitration employes meet the employer as equals. Management has no veto power. Employes do not merely *consult* with management, cap-in-hand, but actually made *demands* upon management. The philosophy determines the use to which techniques of securing employe participation will be put.

A characteristic of the democratic philosophy is its awareness of history. Unions, although some people were unaware of them until 1936, are institutions deeply embedded in the fabric of our society. Those with a history consciousness realize that this institutional phenomena cannot be ignored or easily circumvented. Totalitarians view unions as a perplexing evil or, more recently, as a management *technique* that requires harnessing. Regardless of philosophical bents, the nature of unionism and its underlying forces must be objectively studied by social scientists.[28]

Concern with the ethics of industrial relations is also a characteristic of the democratic philosophy. The influence of Judaeo-Christian ethics is felt throughout society and industrial relations are no exception.[29] Indeed much of industrial relations involves problems in ethics, justice, and rights and duties. Totalitarians prefer to ignore these issues because they are not techniques of measurement or do not utilize the experimental method.

Cognizance of history and ethics includes the ideal of political democracy which has been a great force in our culture. As workers become better educated, as economic mobility decreases, as we become a nation of wage earners, and as corporations grow in size, the power of the democratic ideal upon industrial relations will accelerate.[30] Although techniques of our national political democracy are inappropriate in the factory, industrial democrats seek political techniques which are workable in industry.

It may be seen that industrial relations techniques must not be confused with philosophies of industrial relations.[31] Much attention has been given

[28] For a historical interpretation of trade unionism see Selig Perlman, *History of Trade Unionism in the United States*, New York, Macmillan, 1923. In contrast, Whitehead views unionism as a passing phenomenon which will end with the Americanization of foreigners (*op. cit.* p. 141).

[29] See Lindeman, *op. cit.*, p. 492; Sam Lewison, *The New Leadership in Industry*, New York, Dutton, 1926, p. 145.

[30] W. J. Lauck, *Political and Industrial Democracy*, New York, Funk, 1926; Lewison. *op. cit.*

[31] The technique of arbitration is usually viewed as a democratic technique, having no place in authoritarian management. Nevertheless, some socialists oppose the use of arbitration, on moral grounds, in a capitalistic system. There is nothing to arbitrate with those who hold property immorally, they argue, and only under democratic socialism does arbitration become acceptable.

to technique, while philosophy has never been adequately developed. The task of the social sciences is to examine philosophies of industrial relations. Labor Relations specialists have an obligation to clearly set forth their philosophy. Totalitarians, for instance, often scoff at industrial democracy by mistakenly identifying it with anarchy. Democrats, on the other hand, have neither completely answered the charge that democratic processes in the plant would be hopelessly inefficient nor fully developed their case for greater industrial democracy.

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Pennsylvania's New Optional Graded Tax Law

IN THE IMPORTANT industrial and agricultural state of Pennsylvania, one of the bulwarks of the prosperity of the United States, chaos developed in its local taxation. It reached the point where the state adopted a "tax anything" law. Under it local jurisdictions went to the ridiculous extreme of taxing such necessities as mine props, although the state was one of the original centers of the coal-mining industry, as well as of the steel and oil industries.

While the state thus became a horrible example of a trend noticeable throughout the country, it was also a pioneer in tax reform. In 1913 the cities of Pittsburgh and Scranton (so-called second-class cities, in an order ranked by size of population) obtained passage of an act of the legislature which permitted them to adopt the Graded Tax Plan. Under the plan, the two second-class cities were permitted to assess land and buildings separately (as New York does) and gradually to shift to differential tax rates on land values and on the value of improvements. By 1925 the Graded Tax came into full effect, with the city tax rate on buildings reduced to half that levied upon land values.

The benefits from the plan were reduced by under-assessment. Also, the differential rates effected only city taxes. They were limited also by the low rates levied upon land values. As in New York, less than a third of the economic rent of land was socialized. Nevertheless, the advantages of the partial application of land value taxation were substantial enough to commend it to most thoughtful observers. New York, too, has had similar experience.

To bring order into the chaos of local taxation, a campaign was undertaken by the Henry George Foundation of America, of which Mr. P. R. Williams is secretary, in association with the Graded Tax League of Pennsylvania. Its object was to extend to third-class cities, forty-seven municipalities with populations ranging from 7,000 to 125,000, the power to adopt the Graded Tax Plan. Senate Bill 121, dealing with the assessment and taxation of land and improvements, was offered in conjunction

with Senate Bill 357, codifying third-class city legislation. Both bills, under the intelligent sponsorship of Senators McGinnis and Stevenson, Democrats, and with bipartisan support, were adopted by the Senate unanimously, 50 to 0, on April 17, 1951. The House passed the codification measure by 141 to 47 on June 5 and Governor John S. Fine signed it on June 28. The tax bill was passed by the House almose unanimously on Aug. 1: the vote was 184 to 1. Governor Fine signed it on Aug. 17, 1951, and it became effective immediately.

The third-class city optional graded tax act is superior to the second-class city act in that the Legislature has set no fixed ratio between land and building tax rates. Thus it is possible for third-class cities to go further than Pittsburgh and Scranton have gone in the differential taxation of land and buildings.

Pennsylvania thus has taken a long step toward bringing order into local tax chaos, one upon which Governor Fine, his legislators and Mr. Williams and his associates (including City Councilman Walter R. Demmler, who died on June 25, 1951) are to be congratulated. It is good to learn that the Graded Tax League will now seek to interest the forty-seven municipalities to take advantage of this practical law. A further step is to obtain a first-class city law, so graded taxation can be adopted in Philadelphia, where Henry George, father of the idea of differential taxation, was born.

From a horrible example of tax chaos, Pennsylvania may yet become one of the areas of the world notable for a scientific ordering of its tax problem. Certainly all serious students who recognize that the tax problem is one of the basic social problems of our time will hope so.

W. L.

Call it religion, patriotism, sympathy, the enthusiasm for humanity, or the love of God—give it what name you will; there is yet a force which overcomes and drives out selfishness; a force which is the electricity of the moral universe; a force besides which all others are weak. . . . And this force of forces—that now goes to waste or assumes perverted forms—we may use for the strengthening and building up and ennobling of society, if we but will, just as we now use physical forces that once seemed but powers of destruction. All we have to do is but give it freedom and scope.

HENRY GEORGE

Machiavelli: The Permanent Member of Parliaments

By Francis Neilson

In bringing to your notice the present controversy upon the connection between what is called Machiavellianism and the affairs of the various States at the present time, I should like to point out that it seems to me almost a useless labor to attempt the endeavor to reach an understanding of the problems the Florentine politician raised unless we go beyond the confines of our parochial notions of statecraft and view them in the light of general tendencies which affect all the nations.

We have already wasted far too much time in finding labels for this and that political difference of governing men. Since the middle of the last century, the ideas of government have changed so widely and so swiftly that it seems there is scarcely anything left of the old notions of individualism and the limits that all the chief parties of that day desired to place upon the work of the bureaucracies of the State. The so-called liberal of today is, in thought, as far removed from the Gladstonian notion of what it was in political practice as the philosophical anarchist is from the State Socialist. Indeed, liberalism, as Gladstone and Cobden defined it, is unknown as a political theory to the politicians of our time. Fifty years ago, the Liberals amongst us today would have been labelled Fabians.

Our thought has been fogged by terms that few have taken the trouble to define clearly. We have had the Fascism of Mussolini; the National Socialism of Hitler; the Falangism of Franco; the Communism of Stalin; and several other brands of State control, without much thought being given to what these really mean and what economic and political conditions existed in the various States that made it possible for these dictators, all imbued with one definite idea—State control, to gain power.

In our misguided search for a vague ethical theory, we have missed the essential—the determining fact, as Ranke and his pupil, Lord Acton, understood it. We have wasted time in debating moral considerations of which the subject is barren. Our parochial notions are like a concentration camp and keep us confined in the cell of our peculiar prejudice. Our gravest danger lies in our desire to write a history of our time that should conform to the notions we hold of a history in which man never took part.

It is not strange that there should be a revival of interest in the works of Niccolo Machiavelli. The time is ripe for a reconsideration of the counsel he addressed to Lorenzo the Magnificent. Surely we are ready to admit that

we have felt and seen, since the termination of the First World War, a process of governing men that is not unlike that which is dealt with in "The Prince." There is really nothing original in the book, famous for the alleged infamy of its contents. History supplied its author with examples of the iron law of dictatorial rule from classical times down to his own day. The work of tyrants was well known to him, as it is to those of us who have observed the extraordinary changes that have taken place in the world during this generation.

The literature dealing with the books of the Florentine politician is immense. "The Prince" has been the subject of many controversies in which prelates, philosophers, politicians, and poets have taken part. During the Elizabethan period his name was as well known to the generality as that of Stalin is to us.

In the magazine, *Measure* (December, 1950), there is an article called "Immortal Machiavelli," written by Alessandro P. d'Entrèves, who is Serena Professor of Italian Studies at Oxford University. He deals with two works recently published: "The Statecraft of Machiavelli," by H. Butterfield (London, 1940), and "Machiavelli," by J. H. Whitfield (Oxford, 1947). Both of these authors are highly qualified for dealing with the subject. As for the general survey of Machiavelli's work, they differ at many points, but as d'Entrèves says: "They maintain that it is possible to approach Machiavelli without bias or prejudice."

This seems to me the essential attitude to take, if anything is to be gained from a study of "The Prince." Perhaps it would be worth while to take a glance at the considerations of a few of the men who have contributed essays of great significance upon Machiavelli since the beginning of the nineteenth century. This method of approach may help to clear the atmosphere of prejudice that his name has inspired.

The Problem: Political Control

AFTER MACAULAY published the essay on the author of "The Prince," in *The Edinburgh Review* (March, 1829), there seemed to be a lull of almost a generation before students woke up to the fact that, though the Florentine had long been dead, the ideas that he expressed on government were very much alive. Yet, for this period the public interest in his methods of governing was almost nil, and it was not until the publication of "The Communist Manifesto" in 1848 that revolts in European States against autocratic governments aroused the public to the dangers of their political power. The suppression of these revolts revealed in many cases the necessity of applying the counsel Machiavelli gave to Lorenzo, not only for

quelling disturbances, but for dealing ruthlessly with political opponents.

Although the day had gone when assassins were employed for the purpose of ridding a ruler of a dangerous rival, other means were adopted of silencing such people within the confines of the State. Geneva, Paris, and London became places of refuge for marked men.

When a semblance of calm was restored, rulers and their Parliaments realized that there was much cause for discontent among the masses, and certain measures of reform were put upon the statute books. Then came another long lull while the people of the chief States improved their condition, and Machiavelli was for some decades merely the name of an Italian villain who had lived in the bad old days. Only scholars of politics thought he was worthy of consideration, and many are the interesting pages to be found in their works published during the last half of the nineteenth century.

A few years after Bismarck appeared upon the scene, Machiavelli's name was used as an epithet to be thrown at his head. It was flung by many who could neither pronounce it correctly nor spell it, if they were asked to do so. Perhaps not one in a hundred thousand had read "The Prince." When Burd's edition of the work was published in 1891, Lord Acton welcomed it in a remarkable essay which will be found in the volume called "The History of Freedom."

Whether or not readers will agree with the remarks set out in Mr. d'Entrèves' article, its appearance is as timely as Chancellor Hutchins' searching comments appended to it. It is timely because we are undeniably face to face with a world condition in politics that may soon confront all of us with the very problem upon which the Florentine wrote over four hundred years ago. Then it concerned chiefly small States. Now the world's greatest ones are perplexed by it.

The problem is one of *control* of a community.

Who is to control?

How will control be secured?

What will be the severities of the penalties to be imposed upon dissentients?

These are the features of the problem to be considered *now*, for Chancellor Hutchins says, "Every child knows that it is the dominant political doctrine throughout the world."

To my mind (and I have given some thirty years of anxious thought to the question ever since I read Lord Acton's review of Burd's edition of "The Prince,"), it is necessary, when we debate this matter of political

control, to understand clearly what we really mean by the term State. Unless we fix upon a definition that covers the exercise of power politics—political control—we shall not reach a conclusion that will be satisfactory to the scholar. And this is a matter that can be decided only by those who have studied deeply the workings of the political machines in bureaucratic States.

The Political State

THERE HAS BEEN as much difference of opinion about the evil of the political State as there has been about the amoral counsel given by Machiavelli to Lorenzo de' Medici. The problem is no new one, however. It is as old as the State. The literature dealing with it is immense. From Plato and Mencius, all down the centuries to Oppenheimer and Cassirer of our day, the most famous of the world's philosophers have pondered this ever present problem. Put shortly, it may be announced thus: What is the best form of government for men?

The fundamental economists, sometimes called Georgists, have debated this subject keenly with State Socialists for nearly three-quarters of a century. In that way, they have acquired a larger conception of the width and depth of the unbridgeable gulf that lies between individualism and socialism than any other group of thinkers. They have learned, through direct controversy and through the study of works by socialists, that the theory of socialism can be expressed in the following proposals and conceptions:

The State shall control all the means of production, distribution and exchange, for the equal benefit of all, and the State shall have power over persons, their faculties and possessions.

Theoretically, this was accepted for many years by State Socialists as a fair statement of their claims.

On the other hand, the individual asked for equal economic rights, as dealt with by John Locke in his two treatises, "Of Civil Government." One hundred years ago Herbert Spencer made a similar demand in the first edition of "Social Statics." Briefly, these were the two ideals which caused much bitter controversy before the World Wars took place. They were political issues that affected many Parliaments, and, indeed, brought about revolutions in Europe. Power politics, as we understand the phrase today, however, was scarcely known then to the men who ruled European States. Nevertheless, the economic problem in all of them was chiefly a domestic one, for discontent arose from the unequal distribution of wealth and the restraints imposed upon the producers by landlords who dominated the political assemblies.

It is well for us to learn something of this history if we are to appreciate the danger of the neo-Machiavellians who are in power today. Therefore, an idea of the real meaning of the concept State is essential in this debate.

The chief issue in England during the last half of the nineteenth century was State control of all the activities of men (advocated by State Socialists) versus economic right (demanded by the Radical Liberal party, composed of men who feared bureaucratic control). The experience of the Tudor, Stuart, and Hanover dynasties had convinced English Radicals that a change was necessary if the people were to regain their freedom to produce for their own needs.

It is here, in this very dilemma, we must purge our thought of the rosy notions of economic emancipation, freedom of speech, political liberty, as goals within the reach of the millions of producers of wealth. The aims and aspirations of the democratic zealots of the past century are now regarded as dreams of over-sanguine men. They believed "the less government the better," and that the masses would solve their own economic problems if politicians would leave them alone. Now bureaucratic control is noticeable in legislation; departments multiply year after year, increasing the rolls of parasites who batten upon the producers of wealth. Sops and doles are distributed to keep the impoverished quiet and bribe them to support the party in power. Industrial self interest now earns dividends so small that once greedy capitalists have become financial slaves of politicians. Leviathan! What could Machiavelli and Hobbes think of it if they were now in Washington or London? The State ("The Prince") is omnipotent.

Louis XI, Cesare Borgia, Lorenzo de' Medici, Henry VIII, were they to appear, would turn green with envy on learning how modern politicians have construed the counsel of Niccolo. Surely an informed taxpayer would agree with Franz Oppenheimer who defines the State as the organization of the political means for the exploitation of the economic means.

This definition is in agreement with many announced before him, but not given so succinctly—in a crystal that can be understood by plain men. Oppenheimer's work was pronounced by Adolph Wagner, Dean of the University of Berlin, the foremost German political economist, as "the most important work of its kind ever published."

It might be asked how far we have departed from the notion of the State held by Machiavelli and how the rulers of our time differ from those who governed in Florence. In recent years we have had at least three who have revealed themselves as honor pupils in the study of the counsel given

in "The Prince." Why we should shut our eyes to this fact, no one can say, nor do the historians have the courage to point out that some of the rulers of the democracies are quite ready for matriculation in Machiavelli's school. A Third World War will, in all probability, engulf the democracies in disorders that can only be quelled by means as forcible and severe as those exercised by Stalin, Hitler, and Mussolini.

It may be admitted that "The Prince's" task was comparatively simple. He had to deal with Florentines within his realm and known enemies beyond his borders. His political world was circumscribed. And let it not be forgotten that his foes, within and without his jurisdiction, were as fully capable of using the rod of iron to maintain what they considered to be order as any other ruler of that period. Before and after Machiavelli, there were men in Venice, in England, and in France who were not above using methods that were not quite Christian to preserve the State.

Lord Acton on "The Prince"

LORD ACTON gave a long part of his life to the consideration of this problem, for it concerned directly a higher one—that of the bond that had been forged between Church and State. It must be remembered that, although Ranke was his master in history, Döllinger was his preceptor in the interpretation of it. These men had studied the problems afresh, after years of thorough research, and they knew the history of them as no others knew it. From the days of Hildebrand to the period of papal infallibility, they gathered an abundance of evidence of the workings of the system, and their findings should help us to form a worthy opinion of their industry, and place a high value upon their pronouncements.

No historian of our time has examined these problems with such judicial impartiality and vast learning as Acton gave to them. He reminds us:

> . . . It is easier to expose errors in practical politics than to remove the ethical basis of judgments which the modern world employs in common with Machiavelli.
>
> By plausible and dangerous paths men are drawn to the doctrine of the justice of History, of judgment by results, the nursling of the nineteenth century, from which a sharp incline leads to *The Prince*. When we say that public life is not an affair of morality, that there is no available rule of right and wrong, that men must be judged by their age, that the code shifts with the longitude, that the wisdom which governs the event is superior to our own, we carry obscurely tribute to the system which bears so odious a name ("The History of Freedom and Other Essays," ed. by J. N. Figgis and R. V. Laurence, London, Macmillan, 1919, p. 219). . . .

Acton's experience was ripened by direct communication with Parliament itself. In the early sixties he sat for Carlow, and then afterwards for

his home borough of Bridgnorth. He knew intimately the ministers of both parties. How close he was to Gladstone is revealed in his letters to the Liberal leader's daughter. I have often thought that it is almost impossible for the ordinary elector to know the mysterious workings of the Parliamentary machine; all of those secret desires for preferment, influence, and emolument, that actuate members to vote for measures which they know or feel are mere legislative sops to pacify the ignorant.

It might be said that Machiavelli is a permanently elected representative in every Parliament. His seat is secure, and he has not to bother about the suffrage. Utopian ideals may be advocated from the platforms during an election, but if anybody labors under the delusion that, when it is over and a new government is formed, legislation will be introduced to redress grievance and right wrongs, all he has to do to clear his mind of such a notion is to compare the election platforms and pledges of the parties with the measures that are enacted. He will find that the promised land of reform now lies farther away than it did one hundred years ago.

What has become of the great demand for economic liberty? Let us turn once more to Acton, who says:

> . . . The immediate purpose with which Italians and Germans effected the great change in the European constitution was unity, not liberty. They constructed, not securities, but forces. Machiavelli's time had come. The problems once more were his own: and in many forward and resolute minds the spirit also was his, and displayed itself in an ascending scale of praise. He was simply a faithful observer of facts, who described the fell necessity that governs narrow territories and unstable fortunes; he discovered the true line of progress and the law of future society; he was a patriot, a republican, a Liberal, but above all this, a man sagacious enough to know that politics is an inductive science. A sublime purpose justifies him, and he has been wronged by dupes and fanatics, by irresponsible dreamers and interested hypocrites (*Ibid.*, pp. 225–6).

This was no hasty judgment. Think of the many years of close study that prepared him to announce it! His essay on Burd's introduction is sufficient to impress anyone with the fact that he scoured the literature of the past on these problems and went directly to the original sources for the information he gathered.

In England, a year ago, I was reminded that it would be better, in discussing the probabilities of another war, to drop all cant and hypocrisy about morals and be prepared to face squarely the issues at stake. The man who made this suggestion was a famous military expert and political student of the condition of affairs of Europe. He was no Machiavellian. Indeed, he was what is called by those who esteem certain English virtues a Christian gentleman. I have always known him to be a realist, a man who

thoroughly understood that an army in which order was not maintained would be unable to function, and it could not do so if order were not maintained by those who had to produce the supplies it required. Infractions were to be dealt with severely, and the experiences of the two World Wars had taught him that for governments to maintain themselves during a war, dissentients of a government's policy had to be suppressed. Many, indeed, were imprisoned without charge. Spies were shot, and books expressing antagonistic views were put on the political Index. All these restraints were imposed by the peace-loving powers.

It was not necessary for any of the rulers of the democracies to study the counsel given in "The Prince" to learn what should be done to maintain the modern State. The good men during the wars were those who supported the government. The bad men are those who did not. I doubt whether any of the rulers of that time thought very much about men being conceived in sin and that the Fall put a blight upon the soul of all the descendants of Adam. Prelates, statesmen, soldiers, sailors, producers of wealth, writers, and artists went into the fray, believing firmly that the Christian God was on their side, and would help them to achieve a victory over the wicked foe. The consequences of such a triumph were not reckoned by them then, but now, after all the turmoil, men all over the world are possessed with the suspicions and fears that they have entered upon a worse state of affairs than those encountered in 1914 and 1939.

As Mr. d'Entrèves mentions Lord Acton's review of Burd's work, I should like to quote some of the remarks upon this matter made by the English Catholic historian. He says: "Knowledge, civilisation, and morality have increased; but three centuries have borne enduring witness to his [Michiavelli's] political veracity" (*Ibid.*, p. 212). Not "moral veracity" but "political veracity."

The perplexed student might ask: Is it solely a matter of right or wrong that has to be determined by him who reads the counsel given in "The Prince"? Surely not, for the problem to be solved is how to rule in the interest of the governor. No one was more conscious of the difference between right and wrong than Machiavelli himself. That is made plain on page after page in his books, but mankind, as history reveals from Cleon to Stalin, is not for long capable of ruling itself with any degree of rectitude or abundance.

The Necessity of Penalties for Disobedience

THE HISTORY of the Jews is extant, and who knew better than Moses what laws of restraint were necessary to keep his people from religious and eco-

nomic sin? His list of punishments for violations of the Code are the very pattern and example followed by dictators down to our own time. We sometimes forget the list of penalties in the curse chapter (Deuteronomy 28).

Now, it may be maintained that the statutes of Moses were founded upon divine justice and that the laws of dictators are based upon the knowledege of what man is prone to do. Still, it must be admitted that Moses was quite familiar with his waywardness and backsliding and that the severest restrictions were necessary to remind the offender that obedience was essential if he would save himself from himself.

In both cases—the Mosaic Code and that of the ruler of a political State—respect for the law, whether it be just or unjust, is exacted, and disobedience is punished with the utmost severity. Even in the most liberal State, the scepter of the ruler looks like gold, but when a danger from within or without threatens the stability of it, its enemies soon learn that the scepter is made of iron. Is it not so in nature? Surely we understand what happens when we violate one of her laws; she is merciless with those who do so.

For the purist, concerned with ethics, and the idealist, looking for Utopias, it is a mighty problem to know how to resolve this question of the best way to govern men. Kings ruling by divine right, by the grace of God, in many cases have shown themselves to be far worse rascals than the meanest of their subjects. This thought prompted Milton to write in *Paradise Lost:*

> O shame to men! Devil with Devil damn'd
> Firm concord holds, men only disagree
> Of Creatures rational, though under hope
> Of heavenly Grace; and God proclaiming peace,
> Yet live in hatred, enmitie, and strife
> Among themselves, and levie cruel warres,
> Wasting the Earth, each other to destroy:
> As if (which might induce us to accord)
> Man had not hellish foes anow besides,
> That day and night for his destruction waite.

Lord Grey, the Reform Prime Minister of 1832, said to Princess Lieven, "I am a great lover of morality, public and private; but the intercourse of nations cannot be strictly regulated by that rule."

The final paragraph of Acton's remarkable essay seems to me to clinch the matter as to the influence of Machiavelli upon the rulers of modern States:

. . . He [Machiavelli] is the earliest conscious and articulate exponent of certain living forces in the present world. Religion, progressive enlightenment, the perpetual vigilance of public opinion, have not reduced his empire, or disproved the justice of his conception of mankind. He obtains a new lease of life from causes that are still prevailing, and from doctrines that are apparent in politics, philosophy, and science. Without sparing censure, or employing for comparison the grosser symptoms of the age, we find him near our common level, and perceive that he is not a vanishing type, but a constant and contemporary influence. Where it is impossible to praise, to defend, or to excuse, the burden of blame may yet be lightened by adjustment and distribution, and he is more rationally intelligible when illustrated by lights falling not only from the century he wrote in, but from our own, which has seen the course of its history twenty-five times diverted by actual or attempted crime (*Ibid.*, p. 231).

This was written about 1890, long before anybody dreamed of two World Wars. There had been no great conflicts since 1870, and the Liberals of Europe then looked toward an era of peace and of moral advancement of the masses. And let it be understood that the Liberals then were Liberals, not socialists. Indeed, the backbone of Liberalism at that time in England was the strong force of Radicals (the vigorous, intellectual opponents of bureaucracy) who asked for equal rights, a settlement of economic grievances which arose from poverty and discontent. The State, then, showed not the slightest inclination to exercise the iron power of "The Prince." Parliament was a free assembly, and any question of moment that concerned the mass of the people could be brought before the notice of ministers by a representative.

Now all is changed, and men tremble before the threatening storm. Is it because some of our rulers have not taken time to study mankind and what the mass is capable of doing when passions are aroused? Are we in any better position today than the people of Florence were in when "The Prince" was written? I doubt it.

It should not be forgotten in this controversy that Machiavelli wrote for the condition that existed in his day. He was conscious of the dangers that threatened the State, and its preservation was the sole object he had in view. He makes it clear that he was not dealing with *what ought to be done, but only with what a Prince should do to maintain his power.* He says:

. . . And as I know that many have written on this point, I expect I shall be considered presumptuous in mentioning it again, especially as in discussing it I shall depart from the methods of other people. But, it being my intention to write a thing which shall be useful to him who apprehends it, it appears to me more appropriate to follow up the real truth of a matter

than the imagination of it; for many have pictured republics and principalities which in fact have never been known or seen, because how one lives is so far distant from how one ought to live, that he who neglects what is done for what ought to be done, sooner effects his ruin than his preservation; for a man who wishes to act entirely up to his professions of virtue soon meets with what destroys him among so much that is evil.

Hence it is necessary for a prince wishing to hold his own to know how to do wrong, and to make use of it or not according to necessity ("The Prince," 15th Chapter). . . .

Are we in a position to say what ought to be done in this world crisis? Is it not beyond our wit, morally or politically, to make a policy that will save us from disaster? Have we left it too late? And shall we learn, if war overtakes us again, that the masses will eventually decide whether the omnipotent State is to enslave them under Machiavellian dictators of their own choice?

Port Washington, N. Y.

Land Reform in U. S. Foreign Policy

LAND REFORM has been part of the democratic tradition in the United States since the time of the Amerindian philosophers and of Jefferson and Paine. It has been part of the action program of ethical democracy since the first measure curbing the patroons in New York State in the early part of the nineteenth century. Indeed, it was the free land policy that brought about the development of this great republic. The Homestead Acts were pioneering measures.

Over the years land reform has developed into a comprehensive agrarian program designed to safeguard and extend the family-sized farm. It has been applied in a great variety of directions; in the distribution of fish weirs on the Hudson River between New York and New Jersey, in the nationalization of scarce helium deposits, in the reform of forest tax systems. In its domestic policy this country has not gone as far as it should in the socialization of the economic rent of land and all natural resources and it has been particularly laggard, due to the opposition of great landowners masquerading as giant industrial corporations, in asserting the common rights to mineral lands.

While the ideas that have been advocated and the measures that have been taken rooted land reform in the American tradition and the American system, it was not enough, in the first quarter of this century, to prevent the growth of open and hidden tenacy to the point where only a minority of farmers owned the land they worked and where millions of landless became a dispossessed proletariat. Since the Thirties, however, the pendulum has been swinging the other way and more and more sentiment has been rallied behind the banner of land reform. As a result, federal ad-

ministrations have had to give recognition to the popular sentiment by making land reform an element of domestic policy.

But we have been equally laggard about making land reform a basic element in our foreign policy. This *Journal*, which has campaigned for land reform at home and all over the world from its very first issue, has been almost a voice crying in the wilderness. Franz Oppenheimer's investigation, *Japan and Western Europe*, which proved the fundamental role of land monopoly in the process by which fascism came to power in Japan, helped to open the eyes of the occupation authorities there and, fortunately for the Japanese people and perhaps the people of the world, land reform is a reality there today. In Germany, however, we botched the job, although many economic experts in the occupation administration sought to bring about land reform there also.

Now the United States Government has adopted agrarian land reform as a basic goal of our foreign policy. A resolution introduced by Dr. Isador Lubin, which would make land reform on a global scale a basic program of the United Nations, was adopted by the United Nations Economic and Social Council on Sept. 7, 1951 and will come before the General Assembly.

The next task of land reformers is the revamping of this program to introduce rent socialization into it to give it a more fundamental character. A companion task is to carry the goal from the limited agrarian sector of a country's economy to the whole economy. What Dr. Lubin told the council is true of all landless men, unemployed and marginal workers as well:

"A nation of insecure tenants and rootless laborers, who see little hope to better their lot, is an unstable society, subject to sporadic violence and easily persuaded to follow false leaders."

At the 1950 session of the General Assembly, the present writer, criticizing a weak "study" resolution on land reform, told spokesmen for the United States delegation that if the United States opened a forthright campaign for thorough scientific land reform, it would electrify the downtrodden masses of the world and open their eyes to the despotism that the Communist program of agrarian collectivization always introduces. They encountered doubt and skepticism at that time. But the support that the goal has already won, at home and abroad, leaves no room for disappointment.

Now that we have won the initiative on this issue, we must press and extend it. In no other area is Stalinist Communism more vulnerable. On a succession of occasions, land reform has impelled the millions of farmers in the Soviet empire to revolt against Stalin's regime as well as the Czars'. It will do it again.

W. L.

The Size of the National Debt

Is a Big Public Debt Unobjectionable If We Owe It Only to Ourselves?

By HARRY GUNNISON BROWN

THERE IS A CURRENT NOTION, seemingly widespread among the younger economists, who may have been largely influenced by "New Deal" and "Fair Deal" government financing, that a national debt owed internally is no burden at all. Since the annual interest on the debt—and the principal, too, if liquidated—involves paying as much (minus the small per cent cost for collection) to the bondholders as is taken from taxpayers, there can be no net loss in that direct sense. Hence, it is claimed, no national debt, even though stupendous, constitutes any occasion for alarm or discouragement so long as "we owe it only to ourselves."

Thus, Dr. Abba P. Lerner summarizes his position in paragraph headings in *The Economics of Control* (1944) as follows:

> There are effective instruments . . . . for maintaining full employment and preventing inflation, but their use is hindered by strong prejudices.
> The instruments are not available until it is recognized that the size of the national debt is relatively unimportant
> that the interest on the debt is not a burden on the nation
> and that the nation cannot be made 'bankrupt' by internally held debt (pp. 302–4).

But the truth is that the size of the national debt—if debt there must be—is by no means unimportant. And whether or not the interest on the debt is in some sense or other not a "burden," having to pay this interest can involve some unfortunate consequences.

I

FOR WHAT TAX or taxes shall we use to get the necessary revenue? Shall they be taxes on the necessities of the poor, so that critics will say the debt is "a mortgage of the masses to the classes"? Or shall they be pay-roll taxes which will inevitably reduce the take-home pay of workers and which would probably be met with a similar objection? And would either taxes on necessities or pay-roll taxes provide sufficient revenue?

At any rate, these are hardly the taxes that our "liberals" will favor. Instead they are likely to urge sharply progressive income taxes, conceiving that these conform to the principle of "ability to pay."

But what about the consequences of these "ability to pay" taxes if they are levied not merely to provide for current operating expenses of government but also to pay annual interest on a national debt of gargantuan size?

Let us consider, first, taxes on income from labor. Surely the taxes on incomes above the average would have to be far greater than if there were no debt or only an insignificant one. Surely the difference between the incomes received by the well-trained and efficient and those received for ordinary unskilled work would be much less. Even the Russians abandoned —very early in the Soviet régime—the communistic ideal of equal incomes for skilled and unskilled work. How close can we safely come to such a communistic system of apportioning income, and this while still seeking to maintain, in general, a private enterprise system of industrial organization?

Such steeply graduated taxation of income must mean that a worker's income depends more and more on the extent of his ownership (whether by purchase during some earlier period or by gift or inheritance) of government bonds and *depends less and less on his current effort and efficiency.* What right have we to conclude that there is here no weakening of the incentives of the private enterprise system ("capitalism")?

To these considerations, the fact of our owing the debt and the interest on the debt, "only to ourselves" is *completely irrelevant.*

Next we may consider heavy taxes on the income yielded by capital, which are regarded as necessary because of the cost (annual interest) of servicing a stupendous debt. Here, again, we have no right to ignore completely the influence of the taxes on capitalist incentive. If those whose saving and investment make possible an increase of material capital (buildings, machinery, tools, planted fruit trees, steamships, etc.) must anticipate having much or most of the yield of this capital taken from them in order to pay interest on a superlatively large national debt, can we be certain that the motive to save and to invest in capital construction will be affected adversely not at all? Can we be certain that the productive equipment of the country will be no less? If it is less, annual production will be less and current per capita income will be less—and this even though each dollar paid by any taxpayer for the servicing of the debt is in turn received by some holder or holders of government bonds.

There is indeed a kind of taxation which would have no untoward effects on production but which would, in fact, so operate as actually to increase the aggregate of goods produced. This is taxation of the annual rental value of land. Such taxation does not penalize or in any way repress efficiency of productive labor, whether managerial or subordinate.

It does not at all lessen the reward for saving and the construction of material capital made possible by saving. It involves no penalty on "venture capital." It penalizes only the interference with production which comes from the speculative holding of good land out of use. Thus it would tend to increase the productivity of labor. For more available good land to work on and the greater amount of capital resulting from removal of heavy tax penalties on capital, would both mean better conditions for efficient production. Indeed, a thorough investigation of the theory of the subject and of data recently made available on Australian tax experience, indicates that such taxation of land values within the limits of what it could be made to yield, would be more favorable to even the poorest workers than would drastically graduated taxation of incomes in general, and this even though such workers were completely exempt from such income taxation.

But many contemporary economists appear to be uninterested in land value taxation. As an able young economist friend who himself *is* interested in it remarks, they "seem to have closed minds on the subject." One can hardly feel surprised, therefore, on finding that the apologists for a great and steadily mounting debt show no inclination to explore land value taxation as a source of revenue to service it.

It can be fairly argued, however, that merely to meet the reasonable current operating expenses of government at the local, state and national levels would take all—and, some would say, much more than—land value taxation could be made to yield. On this assumption, it can be strongly contended that, even with a land value tax as the main reliance for current operating governmental expenses, a very great national debt would still require heavy taxes of other kinds to service it. Such taxation for this purpose presumably must bring—or accentuate—the undesirable effects on the economy referred to in previous paragraphs. Thus a stupendous national debt must be regarded as undesirable in any case.

Nevertheless, it seems decidedly worth while to note that those economists who insist that the size of the national debt does not matter (if we "owe it to ourselves"), manifest not the slightest interest in having the debt paid, or in having it serviced, from funds raised by the taxation of land values. Nor do they appear to have the slightest interest in using land value taxation as a first or a principal source for meeting the ordinary current expenses of government. Is it not, perhaps, quite in character and to be expected, that economists who do not worry about capitalist motivation or incentives in connection with burdening the wages of labor and

the interest on capital to service a great national debt, will be among those who do not object to—but, indeed, favor—the perpetuation of a tax system that consistently burdens wages and interest (because relieving land rent) even if and when there is no debt?

II

PERHAPS THE LACK of concern regarding the magnitude of the national debt reaches its most extreme form in the view that a nation might indefinitely service its debt (*i.e.*, pay the annual interest on it) *by assuming new and additional debt.* If the annual interest cannot be paid, merely issue new bonds to pay the interest on the old ones!

Lerner expresses this view as follows:

> The government, even if it does not want to raise the money by taxes, can always meet its obligations to any citizen by borrowing from another citizen. . . . The wierd notion of a country 'going bankrupt' because it has a great internal debt can only be explained as a result of private capitalists building up a conception of the State in their own image and impressing this capitalist mythology on the other members of the capitalist society (p. 304).

One might deal with this view merely by ridiculing it. Indeed, I cannot but be reminded of a "financier" I read about many years ago, who promised a preposterous rate of return—my recollection is that it was 10 per cent a month—to any who would invest their savings with him. And for a time, he appeared to be "making good" on this promise. The money sent in by new investors provided the means for remitting the promised large returns to the earlier investors; and these payments caused still other prospective investors to overcome their doubts and join the mad rush to quickly acquired wealth. Conceivably, had the law not caught up with this "wizard of finance," he could have continued thus to "make good" for years. But is such a policy to be urged on the government of the United States by responsible economists? And are the sponsors of such a policy to be flattered by our devoting many and serious hours to its consideration!

Lest some reader think the above paragraph treats the view being criticized too cavalierly, we shall inquire seriously into the mathematics of the problem. In doing so, it should be fair enough, since Lerner does not seem to admit that *any* debt can be unduly large, to assume an extreme case. Thereby we can the better check the contention that no national debt, however large, is reasonable cause for concern if only we "owe it wholly to ourselves."

We shall suppose, therefore, that the national debt has increased rapidly and in geometrical ratio until it totals $200 quadrillion, We shall suppose that the annual interest rate which the government is pledged to pay is two per cent. This would make the total annual interest owed, in terms of dollars, four quadrillion. Meanwhile, however, the total annual product of industry has not risen above $200 billion in value.

If, at this stage, government seeks to service the debt, not by taxation but by the issue of new bonds, what are the possibilities? Will *all* holders of bonds then outstanding, consent to invest *all* of their current interest in the purchase of new bonds? Or—which amounts to the same thing—will *all* holders of outstanding bonds consent to take *all* of each year's interest in the form of additional (newly issued) bonds?

Of course, *if* all the holders of outstanding bonds *will do this* and *will continue indefinitely to do so*, the debt, no matter how immense, need never worry either administration or legislature. (Our "wizard of finance" also, except for fear of formal law, need never have worried if only all investors with him had been and would have continued to be willing to reinvest with him all of their promised gains.)

But what if a part of the owners of the outstanding government bonds want at least part of their annual interest in money (or bank checks) and, fairly soon, in actual goods for which they expect to spend the money? What if the amount so wanted in goods each year is as little as 1/20,000 of the $4 quadrillion owed by the government to all of its citizens? One twenty-thousandth of $4 quadrillion comes to $200 billion. This would equal, on our assumption above, the entire annual produce of the nation. It would, therefore, be as great as the entire annual income. If this amount —*and no more*—were actually taken, as realized interest on the debt, by holders of the government bonds, even though the other 19,999/20,000 were all accepted in new bonds, nothing at all would be left for wages of labor or interest on the buildings and other material equipment of industry. Thus, unless workers themselves owned government bonds, so that they could live on the interest of these bonds, they would, perforce, all die. In that case, all payments of real interest on the debt would cease.

Perhaps, indeed, *some* of the workers might reasonably be expected to be in possession of sufficient bonds and entitled to sufficient annual interest to enable them to live and continue working. But unless *all* lived (individually or vicariously through—on the average—an equally numerous progeny), the production of goods would presumably decline; and it would probably decline greatly even with a very much smaller debt than has been here assumed.

In any case, is it not now entirely clear that the larger the national debt which must be serviced (though, of course, it might be repudiated!), the less will men's incomes depend on whether they work; and the less will the incomes of savers depend on the amount of useful material equipment (capital) which their savings make possible?

In short, is it not by this time perfectly obvious without further laboring of the point, that the larger the national debt is, *the smaller must be those rewards to labor and capital* which are so often referred to as the *incentives* of capitalism or as capitalist motivation?

A large and increasing national debt is not properly to be looked on with equanimity. Increasing the national debt (borrowing by government other than for refunding debt) is not justifiably to be resorted to even for the relief of unemployment and to stimulate revival from business depression. For a proper monetary and central banking policy can accomplish, without an increase of the interest-bearing debt of government, all that can be accomplished by such borrowing, and more. If it were not for the present fashion or style in economics, of looking favorably upon government debt, the minds of more economists would be concentrated rather on considerations of how the desired results may be realized without the untoward consequences that are the inevitable sequel to permitting government debt to become inordinately great.

Chicago

New Trends in the Size of Family Farms

A STUDY MADE by the Bureau of Agricultural Economics shows that a tremendous shift took place from small to larger family farms during the war. The larger farms are now producing much nearer to total capacity than the small ones; they use more advanced technology and are more evenly balanced in production, hence present fewer opportunities for increased efficiency. The larger family farms more quickly take advantage of production gains from newer methods and mechanization, and these present amazing opportunities for increased production on family farms. Production levels are lower on small and medium-sized family farms, and greater gains are possible here.

Larger family farms can increase production by making the most efficient use of the family working as an up-to-date productive unit and using the most modern methods and mechanical aids. Beyond this, problems of hired farm labor arise.

T. S. H.

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Uneasy Alliance: The Reception of Henry George by British Socialists in the Eighties

By ELWOOD P. LAWRENCE

IT IS A PARADOX in the history of nineteenth century ideas that Henry George, the American apostle of frontier individualism and free trade, should have gone down in British history as the godfather of British socialism. George Bernard Shaw, George's most famous convert, declared that five-sixths of those who were swept into socialism in the Eighties were influenced by George. And the Webbs attest to his influence even more circumstantially. According to them, British trade unions were, up to 1885, an "impenetrable barrier" against socialistic practices. But in 1893 a *Times* leader recorded the fact that the Socialist party was supreme in the Trades Union Congress of that year.

This dramatic development was due to the "wide circulation in Great Britain of Henry George's *Progress and Poverty* during the years 1880–2." The "optimistic and aggressive tone of the book," in contrast to the quietism of the English working class movement in the previous decade, and the force of the popularization of the economic theory of rent "sounded the dominant note alike of the new unionism and of the British socialist movement."[1]

But there was more reason for George's influence on British socalism than the circulation of *Progress and Poverty*. During the eighties George visited Great Britain five times, three of these visits being extended speaking tours; he was arrested twice in Ireland by the British constabulary; he was attacked and derided by the conservative British press; and he debated the issue of socialism at least twice with H. M. Hyndman, the Marxian socialist and leader of the Social Democratic Federation.

Since Shaw and the Webbs believe that George was godfather of the British socialist movement, it is important to discover just what British socialists thought of Henry George when he was stumping Great Britain.

I

BRITISH SOCIALISM during the Eighties was of two varieties, revolutionary and non-revolutionary. The former was represented by H. M. Hyndman and William Morris. In 1881 Hyndman founded the Democratic Federa-

[1] Sidney and Beatrice Webb, *The History of Trade Unionism*, London, Longmans Green and Co., 1950, pp. 374–6.

tion (by 1884 the Social Democratic Federation); its official organ was the magazine *Justice*, partly financed by Morris. In December, 1884, Morris broke with Hyndman and founded his own group, the Socialist League, with the *Commonweal* as its publication. Non-revolutionary socialism coalesced around the Fabian Society, established in the winter of 1882–3; Sidney Webb and Bernard Shaw were among the leaders of this organization. It was the non-revolutionary, non-Marxian views of this organization which came to dominate British socialism.

The socialist attitude toward George moved through two phases. Up to the close of 1887, all socialists supported or encouraged George's agitation for land reform. After 1887 revolutionary socialists began to attack him bitterly for his repudiation of American socialists, for his open support in 1888 of Cleveland and free trade, and for his hasty and ill-considered approval of the death penalty for the anarchists arrested in connection with the Haymarket bomb explosion in Chicago. But even after 1887 British socialists of the non-revolutionary variety continued to support George on the ground that his agitation aided the socialist cause.

George's alliance with British socialism was at all times uneasy. He never called himself a socialist, and from the beginning socialists had very serious reservations about George's views. They were held together by two bonds. One was that they were both agitating for better economic conditions for the working class. The other was the specific issue of land nationalization, a proposal endorsed by all varieties of socialists at that time.

Here a digression by way of definition is in order. It is difficult to determine the exact designation for George's land views as he stated them to British audiences up to the close of his third British visit. Both socialists and the British press assumed that George stood for land nationalization. And there were some grounds for this assumption. Up to the fall of 1887 George did not repudiate this designation, although he had many chances to do so. On the other hand he never explicitly declared that his program was land nationalization.

The confusion in terminology can be illustrated by a few quotations from the first debate between George and Hyndman.[2] The debate began with Hyndman's remark: "I think, as you know, that you expect far too much from nationalization of the land by itself."[3] George, instead of denying the imputation, merely asked "Why?" Later George stated: "The point at issue between us is as to what would be the effects of nationaliza-

[2] Henry George and H. M. Hyndman, "Socialism and Rent Appropriation: A Dialogue," *Nineteenth Century*, 17 (February, 1885) pp. 369–80.

[3] *Ibid.*, p. 369.

tion of the land unaccompanied by nationalization of capital."[4] This would seem to suggest that at the time George did favor the use of the term land nationalization to identify his program. Finally we find George saying in the same debate: "Taxation supplies the form for the virtual nationalization of the land."[5] We must conclude, then, that up to the end of his third visit to Great Britain George did not repudiate land nationalization as a British label for his views because he thought of his scheme for taxing land values as virtually the same thing as nationalization.[6]

George's agitation in Great Britain began during his first visit while he was serving as a reporter for the New York *Irish World*. The event occurred on March 20, 1882, when George spoke under socialist auspices, at a meeting in Glasgow, for the purpose of establishing a Scottish branch of the Social Democratic Federation. Here there was no attempt to disavow socialism on George's part. On the platform with him were such ardent collectivists as Hyndman and Miss Helen Taylor, the step-daughter of John S. Mill. The meeting adopted unanimously the following resolution:

"Resolved that the aims of the Democratic Federation, being the destruction of unjust monopolies, particularly the great land monopoly, and the securing for the whole people of equal rights before the law, are deserving of the confidence and support of all lovers of liberty and justice; that private property in land is unjust and impolitic, and therefore no reform of the land laws can be satisfactory which does not proceed upon the principle of making the land the property of the nation; and that this meeting welcomes the formation of a branch of the Federation in Glasgow as an excellent means of spreading the principles of Democracy amongst the working classes of Scotland."[7] According to the reporter George endorsed all the points set forth in the program of the Federation.

From this point George's British reputation as an agitator grew until he became, for the conservative press, public enemy number one. At the same time and in the same degree he became a rallying point for British socialism. The growth of George's reputation in Great Britain was aided by two fortuitous circumstances. One was his arrest in August of 1882 as a suspicious character by the Irish police; as a consequence, he received considerable publicity in the House of Commons and in newspapers. The

[4] "Socialism and Rent Appropriation: A Dialogue," *op. cit.*, p. 375.

[5] *Ibid.*, p. 378.

[6] In view of this confusion in terminology I will use "land nationalization" in reference to George's program only when the term is applied by British writers. Its use will not be taken to mean that George was in fact a land nationalizer as socialists understood the term.

[7] "Democratic Federation," Glasgow *Herald*, March 21, 1882, p. 3.

second circumstance was a four and one-half column review in the *Times* of *Progress and Poverty* and *The Irish Land Question.* This appeared on September 14. On September 5 George had made his first London address. Thus on his departure for America on October 4, George's British reputation was made. Thus also he became of absorbing interest to the socialists. Their expressed opinion of him deals with his second and subsequent visits to Great Britain.

II

THE FIRST AND FAVORABLE socialist reaction to George was a mixture of encouragement and remonstrance. The encouragement was largely in the faith that George was serving the socialist cause and that his enemies were theirs. While George swung through England and Scotland on his second visit, socialist writers defended him from attacks in provincial newspapers. *Justice* declared that the criticism of George's Plymouth speech in local papers was "typical of the attitude assumed by the whole capitalist press toward Mr. George. 'If,' says the *Western Daily Mercury,* 'Mr. George's scheme were carried out the commercial conditions of this country would receive an irreparable shock.' "[8] Instead of the Cardiff meeting being poorly attended, as was reported in the 'capitalist' press, socialists declared that George spoke to a large and enthusiastic audience.[9]

Socialists also regarded it as a happy omen that the name of Henry George had become in 'respectable' journals a derogatory epithet. The *World,* described by *Justice* as a "society journal," noticed a Radical meeting only for the purpose of sneering at reformers generally and at Helen Taylor in particular: "Miss Helen Taylor was the only person known to the outer world who was present, and I need not say that this lady is fast losing any reputation she ever had for political capacity or judgment. She seems now to imbibe her ideas and social opinions from Rochefort and Henry George."[10]

As George moved through the provinces, speaking to large and enthusiastic audiences, socialists beamed their approval. They announced that he "has done a noble work at a heavy strain on himself and the result of his labours will not be long in showing itself."[11] When George left for America late in the spring of 1884, he went with the blessings of no less

[8] Jan. 26, 1884, p. 7.
[9] *Ibid.,* p. 7.
[10] Feb. 2, 1884, p. 3. Henri Rochefort (1830–1913) was a French journalist and political radical notorious in England at this time, where he had taken refuge after escaping from a French prison. He was allowed to return to France after a general amnesty for political prisoners in 1880. His name was synonymous with subversive political and social ideas, and therefore could be used by conservatives to smear George and his associates.
[11] "Mr. George and the Landlords," *Justice,* March 22, 1884, p. 1.

a man than William Morris. Morris found it "impossible not to feel sympathy and regard" for George; there was an "attractive kindliness" in his most bitter attacks; the man, "rising from among the workers, throws the glamour of his own sincerity over the most callous, and forces them to look into the misery around them." For this, declared Morris, socialists owed George thanks and esteem; he was "our friend and noble fellow worker."[12]

George's second visit to Great Britain marked the height of socialist enthusiasm for his cause. But though enthusiasm cooled as it became increasingly evident that George could not be made to drink from the socialist well, socialists continued to regard him with favor. Both *Commonweal* and *Justice* reported the progress of his mayoralty campaign in New York in 1886. The good run he made with the aid of American socialists was proof that "even amid the present outburst of middle class cruelty in the United States, and in the presence of the anarchists condemned to be murdered in Chicago, Socialism is making way rapidly in America."[13] At the end of 1886 he is still "our noble friend."

But George never had a secure place in the esteem of British revolutionary socialists. For one thing they were amused at and skeptical of the evangelistic religious approach to social problems, and his use of the *Bible* generally and Mosaic law in particular to prove that the land belonged to the people. Hyndman, a close friend of George during his early visits, thought that George's "bump of reverence was of cathedral proportions."[14] And a writer in *Justice*, at the height of George's popularity with socialists, anticipated with glee a forthcoming debate between two such Gospel quoters as George and Samuel Smith, Liberal M. P. from Liverpool. "Mr. George is no Philistine. . . . On the contrary holy writ wells up from him unbidden, like petroleum in Oil City. Wherefore we gladly behold a truly Christian encounter, a veritable biblical tournament between the pious Samuel and the sainted Henry when the latter visits the chastened city of the cotton cornerers and the regrators at large."[15]

Yet British socialists could have overlooked George's appeals to Old Testament morality and ethics had their suspicion of the soundness of his views not been based on more fundamental differences. From the beginning socialists regarded as unsound George's belief in his land program, which he considered, they believed, an economic cure-all. Their encourage-

[12] William Morris, "Henry George," *Justice*, April 5, 1884, p. 4.
[13] "A Virtual Victory," *Justice*, Nov. 6, 1886, p. 1.
[14] H. M. Hyndman, *The Record of an Adventurous Life*, London, Macmillan and Co., 1911, p. 291.
[15] *Justice*, Jan. 11, 1884, p. 1.

ment of his agitation was usually mixed with counsel and criticism. They accepted him in the belief that he was furthering the cause of socialism, but they seldom failed to point out what they thought of as his errors, and they continually hoped (until the break in 1887) that George would embrace the socialist program.

The review of George's *Social Problems* in *Justice* illustrates this mixed attitude. The reviewer found that *Social Problems* shows an advance toward fully developed socialism in that George here comes out for nationalization of railways. On the other hand he deplores George's alleged failure to see the true relation between land, labor, and capital, and how impossible it is to maintain the present rate of ruinous competition in free enterprise. But, he continues, "our duty is to secure a full hearing for those who work in our direction, even though their views may be, in some respects, unsound, assured that the logic of events, as well as the logic of thought, will sooner or later, force them, if candid and intelligent, into acceptance of our whole programme."[16]

George's shortcomings as a socialist seemed obvious, for, as they saw it, he believed only in one of the items in the socialist program—nationalization of the land. Otherwise he was for unlimited competition. But socialists found it difficult to understand how anyone who echoed the socialist description of the misery of the working class and who advocated what they thought of as land nationalization, could not see the necessity of going further and nationalizing industry as well. Why was the landlord the sole villian, why not the middle class capitalist as well? For "no one who thinks for a moment can believe that the landlord is the chief enemy of the labourer in our modern society."[17] Therefore it is strange that George does not see that the worker is not merely destitute of land. He is also destitute of "tools, machinery, and raw materials wherewith to produce useful articles." This being true, a plan for the mere confiscation of rent is "a half-hearted, and go-nowhere measure."[18] Socialists labored to convince George of this, and that it was not a long jump from his present point of view to socialism. But George never jumped.

But an even greater danger, from the socialist point of view, was that George's crusade against the landlords would strengthen the position of the middle class by making them sole owners of capital. At the very

[16] "Social Problems," *Justice*, Feb. 9, 1884, p. 3.
[17] *Justice*, March 15, 1884, p. 1.
[18] H. H. Champion, "Henry George and the Land Question," *Justice*, Jan. 19, 1884, pp. 4–5.

beginning of George's agitation this possibility had been discussed, and only after a period of soul searching did the Social Democratic Federation decide to support George. As we shall see, certain overt acts by George seemed to place him on the anti-socialist bandwagon.

Yet while socialists were declaring that they should emphasize their agreements with George rather than their differences, occasional voices were raised to warn him of the dangers ahead. His audiences, it was said, were becoming increasingly middle class. George's reliance on land nationalization as a cure-all for the ills of society, they reasoned, would in the long run benefit capitalism. Capitalists would eventually make common cause with George. These fears were expressed by William Morris and echoed by socialist writers.[19]

An indication of how the rank and file socialists held a watching brief on George is shown by the report in *Justice* of his speech to the London unemployed on the steps of the Royal Exchange on January 23, 1885. Socialists had set up their pitch on the opposite side of the square, distributed literature to the crowd listening to George, and when the American speaker's words proved not to be revolutionary enough, socialist speakers supplied the deficiency. Thus the George meeting ended on a socialist note, and *Justice* bade George godspeed on his return to America, assured that the social revolution he ardently desired was under way.[20]

Before George sailed for America at the end of his third visit, an event took place the outcome of which seemed to promise a rosy collaboration between the Prophet and British socialists. This event was a discussion of the problems of reform between Hyndman and George. It took place in a closed room in London in the presence of a shorthand writer. The issue was the familiar one: that George advocated "merely the confiscation of competitive rents"[21] whereas socialists wanted complete nationalization. In particular they believed that the landlord was a hanger-on of the capitalist, who must also be expropriated.

The discussion must be interpreted as an effort by both reformers to find a common basis for cooperation in attacking the exploitation of the worker. This common basis they found in an analysis of economic conditions and in "the common desire which we all must have to work in common for the great end of the emancipation of our fellow-men."

To such a sentiment Henry George could not do less than reply "Amen,"

[19] William Morris, "Henry George," *Justice*, April 5, 1884, p. 4.

[20] "Henry George," Jan. 24, 1885, p. 1, and "The Unemployed at the Royal Exchange," *ibid.*, p. 6.

[21] Henry George and H. M. Hyndman, "Socialism and Rent Appropriation: A Dialogue," *op. cit.*, p. 369.

but he said it so circumstantially that the ordinary worker might be forgiven for thinking that George was a ripe plum about to fall into the socialist lap. He replied to Hyndman:

> With all your sentiments I heartily agree . . . Every man who looks at civilized society today must feel that the order that exists, and which you have so graphically described, is not the order which the Creator intended. The only question between us is the best way of substituting for it that order of things which will give free play to the powers, and full scope to the aspirations of mankind . . . The great work is to break up the 'pitiable contentment of the poor,' and rouse the conscience of the rich, to spread everywhere the feeling of brotherhood. And this your socialists are doing. . . . The greatest of all English revolutions has already commenced, and it means not merely revolution in England, but one which will extend over the whole civilized world.[22]

Such a declaration does not prove that George was a socialist. But, taken along with his public agitation, it must have aided the socialist cause immeasurably. For if the British laborer was to take George's message seriously and act upon it, the only program he could look to, to satisfy his longings, was that of socialism. The event proved that this is what happened.

At the end of his third visit to Great Britain, George and the socialists were ostensibly in accord, and this state of affairs continued, as we have seen, through 1886. When George campaigned for mayor of New York city, he did so as a Labor-Socialist candidate. In the meantime in Great Britain he was regarded as the outstanding champion of socialism in America, and his political record was considered a moral victory for socialism.

III

British socialists were alienated from George for very obvious reasons, but these reasons had little to do with his effectiveness as a catalyzer for social revolt. The open split came when George's anti-socialism became overt. The first instance was his public rejection of American socialist ideas and support in the United Labor Party. On August 6, 1887, in his newspaper *The Standard*, George attacked social democracy and the Social Democrats. And at Syracuse, New York, on August 17 the socialist delegates were "excluded" from the party congress.[23]

Socialist writers reacted immediately. Hyndman set forth the sharp differences between George and socialism, and declared that George neither

[22] *Ibid.*, p. 380.

[23] H. M. Hyndman, "Henry George's Attack on Socialism" *Justice*, Aug. 20, 1887, p. 2.

understood the operations of modern capitalism nor why mere "confiscation of competitive rents" would not benefit workers as a class. George was still regarded with some esteem: he was spoken of as morally earnest and generous, eloquent and forcible, though unsound; he was "too honest a man to be used as a tool" by capitalists.[24] "Nobody," it was asserted, "could describe more graphically and more truthfully the evils resulting from the present system . . . , but as soon as he comes to an analyzation of the cause, or to the remedy, his logic becomes of the same shoddy quality as British woolens are in our own day."[25] Though they regretted George's defection, Social Democrats welcomed the issue; "the choice has to be made between out and out Socialism and mere tinkering with taxation and palliatives."[26]

A second cause of the change in the socialist attitute toward George concerned the Chicago anarchists under death sentence in connection with the Haymarket bomb explosion in 1886. In October 1887, when a public meeting in New Jersey, called to express sympathy for the condemned men, was broken up by the police, George defended free speech in *The Standard*. But he also declared that in his opinion (based on reading a review of the testimony given in the Supreme Court decision upholding the conviction) the anarchists were guilty.

Nothing could have been more likely to arouse socialist opposition, for in 1887 an attitude toward this case defined one politically. What British socialists thought of George is best expressed by William Morris' terse condemnation: "Henry George approves of this murder; do not let anybody waste many words to qualify this wretch's conduct. One word will include all the rest—TRAITOR!!"[27]

The final reason for British socialist disapproval of George was his introduction of "single tax" as a label for his program,[28] and his public profession of free trade principles in *Protection or Free Trade* (1886). His support of Cleveland in 1888 (*Commonweal* sourly reported: "Henry George is at present making stump speeches for the Democrats at 500

[24] "Henry George," *Justice*, Sept. 17, 1887, p. 1.
[25] *Commonweal*, Oct. 22, 1887, p. 343.
[26] "The Split in the American Labour Party," *Justice*, Oct. 1, 1887, p. 1.
[27] *Commonweal*, Nov. 12, 1887, p. 1.
[28] According to Anna George deMille, Henry George's daughter, the term "single tax" was "first used as the title of an address delivered before the Constitution club of New York by Thomas G. Shearman, who took it from Book VIII, Chapter 4, of *Progress and Poverty*." The date of this address was June 18, 1887. (See her *Henry George*, Chapel Hill, 1950, p. 160). Titles of British articles about George also point to 1887 as the date for the adoption of this label. During his first three visits to Great Britain "single tax" never appears in a headline about George; during his last two visits it is used with increasing frequency.

dols. a night") clinched George's guilt in socialist eyes. He had gone over to the capitalists. In fairness to George this was no defection. 'Single tax' was used, though not as a slogan, in *Progress and Poverty;* Chapter 28, "Free Trade and Socialism" in *Protection or Free Trade* shows that George was no less sympathetic to the ideals of socialism than he had ever been. It is likely that his endorsement of Cleveland was the most irritating factor here. On June 30, 1888, *Commonweal* carried an article summarizing the details of George's backsliding during the year. And another writer mourned: "It is sad to watch this steady deterioration of a man like Henry George, who certainly meant well; but seems to have no thoroughly well-grounded intellectual convictions to keep his moral sense on the right track."[29]

Naturally George did not receive a cordial welcome from British socialists on his fourth and fifth visits. He came now not as a delegate at large to represent the cause of the worker, but as a henchman of the British Constitutional Radicals, left wingers in the Liberal party. On November 17, 1888, *Commonweal* sounded the tocsin: "Look out! Mr. Henry George left New York in the 'Eider' on Saturday for England. If he comes to hold meetings he may be sure of a warm welcome from those who remember how he denounced the men of Chicago." When it became known in December, 1888, that George would return next spring for an extended speaking tour on behalf of Radical candidates for Parliament, *Justice* called on Social Democrats and socialists generally to oppose "with a resolute and uncompromising hostility" this "salaried and befeasted lackey of the plundering capitalist class."[30] And a week after his arrival in March the same journal pled: "It should be clearly shown to those political tricksters [Radicals] who are engineering this 'campaign,' that it is too late in the day to gull the workman with any scheme of mere tax reform."[31]

As reported in the Liberal newspaper, the London *Daily News* for July 1, 1889: "During his recent lecturing tour Mr. George has in several places been attacked with considerable bitterness by the Social Democrats, who consider that his proposals do not go far enough." The tactics used by the socialists were those reported by a correspondent for the Manchester branch of Morris' organization, the Socialist League. George spoke in Manchester on the topic "How to Get Rid of City Slums;" according to this reporter George believed that slums would disappear if the tax were

[29] "Henry George's Collapse," *Justice,* March 10, 1888, p. 1.
[30] "The Single Tax Fraud Again," Dec. 22, 1888, p. 1.
[31] "The Single Tax and Henry George's Visit," *Justice,* March 16, 1889, p. 2.

removed from tea, coffee, gold and silver plate, and placed on land; and he raised the standard of Cobden and free trade.

But to the Manchester socialists George was merely "the unprincipled 'prophet' of San Francisco;" they came to the meeting in force, entertained the audience before George's arrival by singing socialist songs, heckled the speaker, and asked so many questions at the end of the talk that the chairman had to refuse answers because of the lateness of the hour. In the words of this socialist: "The amount of flimsy, albeit dramatic, rhetorical effervesence which he unburdened himself of, in place of arguments, to support his patent quack poverty cure, exceeded anything his fiercest opponents could have attributed to this versatile Yankee. To those who had known or heard him in the earliest days before he had deserted the people and become a party politician and stump orator for Radical capitalists, the man's present moral and intellectual degeneracy is pitiable to behold."[32]

The final episode, though not the final word, in this uneasy eight-year relationship between George and British socialism was a formal, public debate in London on July 7, 1889, between George and Hyndman.[33] George's official biographer, Henry George, Jr., fails to mention the earlier debate between these opponents, published verbatim in the *Nineteenth Century;* and of the 1889 debate he says only that "Hyndman reprobated the single tax for making no attempt to abolish industrial competition" and that "time was so brief that Mr. George contented himself with merely presenting the chief postulates of the single tax doctrine."[34]

This reference to time is misleading, and the statements about content fail to do justice to Hyndman's remarks. Each man spoke for a full hour, George's time being divided into four periods and Hyndman's into three. As usual George was content merely to set forth his 'single tax' proposal. Hyndman found the time sufficient to enumerate and discuss six points of agreement between Social Democrats and George and six points of difference. It was left to a Professor Beesly to present the conservative reaction to this battle of ideologies. In reply to a vote of thanks for his offices as chairman of the debate he declared that "he agreed with neither party, and that in his opinion the best parts of the speeches were those in

[32] "Henry George in Manchester," *Commonweal,* June 1, 1889, p. 173.

[33] George R. Geiger, author of *The Philosophy of Henry George* (New York, Macmillan Co., 1933) dates this debate 1884, a possible confusion with the first published debate in 1885. On this error he bases the conclusion that the break between George and British socialists occurred in 1884.

[34] *The Life of Henry George,* New York, Robert Schalkenbach Foundation, 1943, p. 515.

which the opponents destroyed each other's arguments."[35] It is certainly true, as the verbatim report of the debate shows, that the contest ended in a stalemate.

Yet "stalemate" is inadequate to describe George's influence on British political thought. The running criticism in Socialist journals of the inadequacy of George's land views, as well as the attacks on him after 1887 by revolutionary socialists, attest to his effectiveness as an agitator. But beyond this there was the attitude of what Bernard Shaw called "really knowing" socialists, who held George in great esteem in spite of their differences with him. They realized how valuable was George's contribution to the reform movement in England and to the growth of trade unionism and socialism. For British workingmen, with a fine disregard for the logic of their action, believed what George told them about the conditions under which they lived, and sought redress through socialism and trade unionism. This result, and not a resolution of the differences between George and revolutionary socialism, was what in the long run really mattered.

What the "really knowing" socialists thought of George and of the value of his agitation is suggested by the contemporary comments of two Fabians at the end of George's last speaking tour, when Social Democratic opposition was greatest. On March 8, 1889 Sidney Webb wrote to George:

> I want to implore your forbearance. When you are denounced as a traitor and what not, by Socialist newspapers, and 'heckled' by Socialist questioners or abused by Socialist orators, it will be difficult not to denounce socialism in return. But do not do so. They will only be the noisy fringe of the Socialist Party who will do this and it will be better for the cause which we both have at heart, if you will avoid accenting your difference with the Socialists.[36]

And Bernard Shaw, who had become a member of the Executive Committee of the Fabian Society in 1886, made public acknowledgment of the close association, in spite of superficial differences, between George and British socialism. Shaw seized this opportunity in the course of a debate which was being carried on in the columns of the London *Star* (a Radical paper) between George, R. B. Cunninghame Graham, and a half-dozen correspondents who had been drawn into the fray. Shaw's letter, published June 7, 1889, not only resolved this particular dispute; it also resolved the whole issue between George and Social Democrats by showing that if the single tax proposal were adopted it would produce the results

[35] "The Hyndman-George Debates," *Commonweal*, July 13, 1889, p. 221; and July 20, 1889, p. 229.

[36] Quoted from A. G. de Mille's *Henry George, op. cit.*, p. 170.

ardently desired by socialists. This may not have proved true in the event, but it knocked the props from under Social Democratic opposition.

Shaw contended that the main issue was not competition; socialists and George used the word in two different meanings, and disputes over it merely resulted in confusion. What really mattered was the possible effect of George's single tax proposal on the economy of England. In Shaw's opinion, once the single tax was adopted, its operation would not cease until it had absorbed the entire economic rent of the country, and when this happened the State would be in control of the revenue from which industry drew its free capital. The result would be State capitalism.

This being true, Shaw argued, "really knowing Social-Democrats would let George alone." For "if the Socialist theory be correct, taxation of rent, the amount it went beyond replacing existing taxation, would produce Social-Democratic organization of labor, whether its proposers foresaw or favored that result or not. And by his popularization of the Ricardian law of rent, which is the economic keystone of Socialism, and concerning which the published portion of Marx's work leaves his followers wholly in the dark, Mr. George is doing incalculable service in promoting a scientific comprehension of the social problem in England. Besides, the public, knowing that Mr. George advocates taxation of rent, will, if the Social-Democrats attack him, simply conclude that Socialists oppose taxation of rent, which is, of course, a main plank in their platform."[37]

Webb's plea for forbearance and Shaw's views on the Graham-George controversy give a fair picture of the relationship between George and British socialism. Whether George was or was not in the literal sense a socialist, or could ever have been one, and his alleged political intransigence, have nothing to do with the issue. As all socialists admitted, up to 1887, and as Webb and Shaw, representative Fabians, continued to believe, George's views on the land issue and his ability to put the case for the underprivileged in simple, moving terms, gave him common ground with socialists in Great Britain.

The reception of George by socialists, as the evidence I have presented shows, was conditioned by two factors: George's success as an agitator, and the specific differences between socialism and his program for reform. As long as socialists were able to believe that George stood for nationalization of the land, and could hope that George would move further in the direction of collectivism, they supported him. When in 1887 this belief and this hope proved mistaken, Hyndman, Morris, and their followers

[37] G. Bernard Shaw, "Henry George and the Social Democrats," London *Star*, June 7, 1889, p. 4.

turned on George as a renegade. But the more moderate Fabians continued to support him, for they saw that the benefits of George's agitation far outweighed in importance specific differences between his program and theirs. History shows they were right and Morris and Hyndman were wrong.

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Snow Surveys, A Tool for Controlling Nature

ONLY 20 PER CENT of the State of Utah is above 7,000 feet in altitude, but it contributes 70 to 80 per cent of the annual run-off. That run-off comes from snow. In 1934 snows were very light and, by April 1, it was clear that Utah irrigators would have only about 35 per cent of their normal water supply. So the governor called a "drought conference" before the drought occurred, and advance plans were made to meet the problem. Today George D. Clyde is Chief of the Division of Irrigation and Water Conservation, Soil Conservation Service, which is in charge of snow surveys, an unusual activity participated in by private groups nad public agencies cooperatively.

The snow survey consists in measuring annually the depth of snow and the water content of the cover at fixed stations in the high country. Coordinating offices compare these figures with records from the same courses in previous years and of stream flow over the years. This enables them to forecast, weeks and months in advance, the quantity of water each stream will carry to help fill irrigation reservoirs, or to overflow and cause disastrous floods. Results of snow surveys are used by everybody in the West from farmers to forest-fire wardens and flood-control engineers. They give reliable information about how much water will be available for irrigation, power, industrial and municipal supplies, and other uses. Irrigation farmers plan their acreages and choices of crops to fit the water supply as thus forecast.

Clyde describes as Nature's near-perfect reservoir the winter snowbanks that accumulate in the western mountains, and are often 30 feet deep. As the snow blanket melts, water is released to flow into man-created reservoirs. How long the water can be made to last depends on an accurate survey, good management, and the total supply. Here is an unusual organization that does work of prime importance.

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Marx's Theory of the Entrepreneur

By ADRIEN C. TAYMANS

MARX'S THEORY of the entrepreneur is so intimately connected with the very core of his economic doctrine, namely the theory of economic change[1] and the sociological aspects of it, and has such a bearing on it, that it must be replaced in the Marxian setting. We will thus first recall the Marxian principles of economic change in general (I), and apply them to capitalism in particular (II); then we will consider the personified power of capital in Marx's system (III), and, consequently, the rôle of his entrepreneur (IV).

I

SOCIETY IS SEEN by Marx as a framework, made up of two parts: a basis and a superstructure. The basis, also called "economic structure" [2: 11]*, is the proper realm of economic production, while the superstructure is clearly conceived as the sphere of legal relations, political life, philosophical and religious ideals, and of the social consciousness in general; and this social consciousness is determined by the economic life [2: 11–2; 3: 147; 4: 202–3]. The basis is the "Civic Society" [2: 11], the superstructure is the "State" [5: 64–5]. To the "social *evolutions*" of the basis correspond the "political *revolutions*" of the superstructure [3: 147].

The great merit, however, of the Marxian construct is clearly to have distinguished in the economic structure of the basis two inseparable elements, namely, the economic *forces* and the social *relations* of production, which are consecrated by the legal relations of property coming from the superstructure [6: 36–7; 3: 92–3; 2: 11; 5: 62]. By "forces" are meant the laborers and the instruments or means of production, that is to say, respectively, "the personal and objective materials of commodity production" [1, II: 45–6]. Incidentally, this expression does not pay a high tribute to the human dignity. By "relations," on the other hand, is meant the peculiar combination of these sets of forces with regard, not to the production—as is the case with Schumpeter—but *to the social status of those who own, or use or sell them.* These relations determine the structure of the social classes.

Marx thus introduced, at the outset, a sociological element into the

[1] In the preface to the first German edition of *Capital*, Marx wrote: "It is the ultimate aim of this work to lay bare the economic law of motion in economic society" [1, I: 14].

* [The italic figure is the reference to sources listed at the foot. Page numbers follow the colon.—EDITOR]

sphere of economics, and this might well prove to be the only possible way of explaining economic evolution.[2] However, we think that Marx did not make the correct use of his discovery. Nevertheless, Marx reproached the classical economists with not seeing that even the simplest economic category, the commodity, is such only because a qualitative relation between two *persons* or communities attaches to it, and for consequently having treated them as quantitative relations between *things*.[3] But he goes further, and contends that production is unthinkable unless it is carried out socially, in community.[4]

In normal times, that is to say, as long as "there is room" for "all the productive forces" these social "relations" are forms of development of the "forces" of production [*2:* 12], and it is precisely the way they are interrelated that determines the different economic periods of history: Asiatic, ancient, feudal, capitalist, communist [*2:* 13]. As soon, however, as the peaceful harmony between "forces" and "relations" is disturbed, because the "forces" continually "outgrow" the social relations of the structure [*3:* 93; *6:* 36; *2:* 12], an upward aspiration tends to break into the superstructure through a political revolution, and to overthrow the political power whose legal downward pressure had consecrated the former social relations [*6: 36*]. This is the Marxian revolution, which takes place in the political sphere on the border of the "superstructure", when, after a long maturation, the social minority-class has become fully "conscious" and has developed itself into a political class [*6:* 53, 61; *7:* 121]. This was the case at the end of the feudal system [*6:* 36], and many times before, since "the modern bourgeoisie is itself the product of . . . a series of revolutions in the modes of production and of exchange" [*6:* 32]. This will again happen at the end of the capitalist system of production. It should be noticed that, in Marx's mind, the *stirring power* of this upheaval in the productive conditions of the "basis" is only the *economic*, and not the sociological element [*8: 7*, 14–5; *9:* 20; *1*, II: 44]. How does this apply to capitalism, and what is the part of the entrepreneur in this economic change?

[2] We know, for instance, that Schumpeter, the only "orthodox" economist who ever devised a complete theory of economic change, also definitely, though with a very different connotation, introduces the institutional variable into his economic system. For a very short comparison between Marx and Schumpeter on this score, see Sweezy [*7:* 94n] and Lange [*10:* the notes on pp. 193, 196, 198, 200].

[3] This is his well known doctrine of the "Fetishism of Commodities" [*1*, I: pt. 1, ch. 1, sect. 4; *1*, III: ch. 48; *2:* 21; 5: 99–100].

[4] See his *Introduction to the Critique of Political Economy* [*2:* 265–8]; also the quotations, [*26:* 3; and *2:* 11].

II

MARX'S ARGUMENT STARTS with "simple commodity production", which is a non-capitalist exchange economy of small producers, *each of whom owns his own means of production,* so that what Marx calls "personal and objective materials of the commodity production" are found together in the same subject. The motive power of production in such a society is the satisfaction of the producer's manifold needs, by the creation of use-value and the exchange of his products with other similarly situated producers. The familiar symbol for this process of goods and money is C-M-C (Commodity—Money—Commodity) [*1*, I: 118 *ff*, 163 *ff*].

As soon, however, as the institutional element characteristic of capitalist production is introduced into the system, everything changes: The distinguishing feature of capitalism is the separation between the owners of the means of production (capitalists), on the one hand, and, on the other hand, the "free" laborers selling their own labor-power on a competitive market. The laborers are called "free," because each of them can freely dispose of his labor-power as his own commodity and because he is short (free) of everything necessary for the realization of his labor-power [*1*, I: 187–9]. The capitalist goes to the market with his money (M) and buys the necessary means of production (labor and "objective materials") which he transforms into commodities (C); and these he sells at a price[5] (M′) higher than the capital outlay; then he plows back part of that money and begins a new similar process, the symbol for this circulation being: M-C-M′ (M′ > M) [*1*, I: 164 *ff*].

The production of this surplus-value is made possible by the fact that the owner of the means of production finds on the market a commodity, namely the labor-power of the worker, *the very consumption of which yields a surplus* [*1*, I: 185–6; *1*, III: 451], according to the slightly modified labor-value theory of Ricardo [*1*, I: 50–2], and taking for granted that any skilled or qualitatively different labor can be reduced to a "given quantity" of "homogeneous," "abstract," "indifferentiated," "average" labor [*1*, I: 51, 85]; the appropriation of the surplus-value by the capitalist is what Marx calls "*exploitation*" of the worker.

It is clear that, in this system, the exchange takes place, not only between owners of means of production (capitalists, in this case), but also, and especially, inside the productive process, namely, between capitalists and laborers: the capitalists buy, the workers sell. And since, as we shall see, the capitalists are only the passive agents of omnipotent Capital, the actual

[5] Strictly, we should say "value" instead of "price." But we cannot enter here into the intricate and much controverted question of the transformation of values into prices.

parties facing one another on the labor-market are the one Capital and the atomized workers: It is a system of *pure monopsony.* And this peculiar combination of the *forces* of production, which is characterized by the buying and selling of labor [*1,* I: ch. 5], constitutes the *differentia specifica* of capitalism; it determines in the economic society particular social *relations,* which give rise to a new phase, the capitalist phase, in the history of society at large or "superstructure" [*1,* I: 189, 785–6]. The right specification of the institutional feature which distinguishes capitalism from "simple commodity production" is the cornerstone of the Marxian theory of economic change [*10: 196–7*]. Schumpeter also takes into account this particular institution of private control over the means of production.

Using a capital outlay of labor (v) or variable capital, which produces a surplus-value [*1,* I: 232–3], and of machines and raw materials called constant capital (c), because their value is not quantitatively modified in the process of production [*1,* I: 232], the capitalist has created surplus-value(s) and made a profit. In order, however, to increase the rate of profit (p)—which is the ratio of surplus-value (s) to the total capital outlay (c + v)—the capitalist tends to increase the productivity of the average labor time of his workers, through a change in the organic composition of his capital (c/c + v); he namely introduces labor-saving devices, new techniques and mechanization, and, to that effect, he "plows back" a part of the ever recurring surplus-value. The capitalist process of production is thus "essentially a process of accumulation" [*1,* III: 255]; it brings about this *instability of the technique of production* which is the very *condition* of its existence [*1,* II: 45; *10:* 197–8; *7:* 94; *11:* 446–7]. "The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production" [*6:* 34].

This profit-making process, however, is not possible unless the capitalists can keep *unaltered* this institutional combination of productive forces and relations, which is to their advantage. They keep it unaltered at any price, at the price even of an incessant instability in both instruments and relations of production, at the price of economic crises—for, according to Marx, economic crises, roughly, are nothing but the result of a periodical revenge of the too narrow property "relations" against the ever growing production "forces" [*6:* 36–7]. Similarly Marx attributed the periodical business cycle to the more or less sudden fluctuations in the rate of "accumulation", and consequently in the rate of growth or decrease of the "industrial reserve army" [*1,* I: 693–4].

It is apparent from the foregoing how intimately the "power" factor is connected with the Marxian capitalist-entrepreneur. However, since

economic crises take place in the socio-economic basis of the system, they do not overthrow the bourgeois society as a whole (superstructure), but they *only endanger* the existence of bourgeois property [*6:* 37]. They do not end with a revolution, but they lead, through a progressive evolution, to the accumulation of disorder to which will correspond, at a future time, the full social consciousness of the proletariat and the recourse to the political revolution. This will put an end to capitalism, and, through a pressure from the renewed superstructure, it will, at last, adapt the social relations to the expanded forces of production.

III

THIS IS A HIGHLY SUGGESTIVE picture of what happens, on the surface, in the "bourgeois society," and a bold prediction of what will happen in the future; Marx explicitly takes into account the power factor, which undoubtedly is intimately connected with the capitalist entrepreneur and creates the class struggle [*11:* 446]. The trouble is that this description is meant as a theory of what happens below the surface, as a real explanation. And here Marx seems to fall short of the mark.

In Schumpeter's theory, technical change and business cycles are the result of creative innovations, which cluster together, and renovate the economic life; they are "*creative* destructions" [*9:* 84].[6] Economic instability is for him the effect of fully human actions, the motives of which include, not only the making of profits, but the sense of creativeness, love of risk, ambition, etc. When we turn to Marx, however, and ask for an explanation of how and why capitalism works as it does, we are referred to the "*immanent laws* of capitalist production" [*1,* I: 649] and to the "rate of profit" which is "the *compelling power* of capitalist production" [*1,* III: 304]. This seems to imply that the capitalist is a passive agent of an anonymous power—an assumption which really does not provide any theory of economic change, since, as Marx himself emphatically concedes, economics is not a science of nature but a science of man. We shall return to that point in connection with Engel's philosophical argument.

After having reproached the classical economists with treating living social relations as things, he confers on these "things" and processes a new, but artificial, life. To him capital is as a living force, with laws of its own, "*independent of human will* . . . on the contrary determining that will"

[6] All that we say in this article about Schumpeter's revolution does not imply that, as a matter of policy, we would like to foster the instability of economic life. What we contend is that the internal pulsation of economic life, whether mitigated in its effect or not, is best explained in Schumpeter's theory, because this theory is human and, therefore, remains in the economic field all the way through.

[*1*, I: 23], and "working with *iron necessity* towards *inevitable* results" [*1*, I: 13]. "Capital is the all dominating economic power of bourgeois society" [*2:* 303]. The capitalist is merely "*capital personified* and endowed with consciousness and will" [*1*, I: 169], and as such he is "frantically bent on making value expand itself," and he wants "to produce for production's sake. . . . He shares with the miser the passion for wealth as wealth. But what in the miser is a mere idiosyncrasy is, in the capitalist, the effect of the social *mechanism*, of which he is but one of the *wheels*" [*1*, I: 648]. As a normal man he would produce use-value, increase his own enjoyment and strive towards social goals; he would have consumption in view, since "consumption provides the ideal object of production, . . . its impulse and its purpose" [*2:* 303]. However, "in so far as he is a mere functionary of capital, *hence a bearer of capitalist production*, he concerns himself with exchange value and its enlargement. . . . It is a question of the expansion of *abstract wealth*" [*12*, I: 377–9]. And so he personifies the eternal contradiction of the capitalist system, namely, an overproduction of commodities combined with a more and more limited consumption on the part of the mass of the producers [*1*, III: 55].[7]

From the preceding it has become apparent that only in the Marxian theory does the famous "profit motive" acquire its full meaning; in that system too, on account of the absence of any acknowledged concrete productive activity of the capitalist producer, and quite contrary to Schumpeter's theory, the *only possible* motive is the profit motive. One is a capitalist because one has "a social *status* in production" [*6:* 46]; therefore it has been wisely said that, to Marx, the difference of behavior and motivation as between the capitalist and the worker towards, respectively, exchange-value and use-value, has nothing to do with human psychology; it springs from the different *objective* circumstances in which each is placed [*7:* 140]. Neither the actual owner of capital, nor he who comes into the management of capital, is in any sense a *free* agent. The ruling class under capitalism is made up of the *functionaries of capital*, those whose *motives and objectives are prescribed for them* by the historical form . . ." [*13:* 18; *14:* 13].

To that extent it is certainly true that Marx's standpoint "can less than any other make the individual responsible for relations whose creature he socially remains" [*1*, I: 15]. In the transition from feudalism to capitalism, "the *Chevaliers d'industrie* only succeeded in supplanting the chevaliers of the sword by making use of events of which they themselves were

[7] Marx quotes Sismondi's opinion. [See also *1*, II: 265 as opposed to *1*, III: 359; *34:* 87, 116].

wholly innocent" [*1*, I: 787], and, inside the capitalist system, "competition makes the immanent laws of capitalist production to be felt by each individual capitalist as *external coercive laws*" [*1*, I: 649].

These quotations are all very strong; but Marx goes further, and he states, with a keen sense of reality, what we now would call the "autonomous sanction of capitalism". *Sanctions*, in modern sociology, can be defined as social mechanisms of reward and penalty, taking various shapes according to the types of sanctions. They are social creations, formal or informal, conducive to achieving social order [*15:* chs. 26–7; *16; 17:* chs. 8–9]. They refer to the *status* (a word Marx himself used [*6:* 46; *18:* ch. 9]) or social position, which an individual occupies, and according to which he is supposed to perform a particular *rôle* [*15:* chs. 6–7; *19:* ch. 34 and p. 996; *20:* 10–2],or social function, in a group. This individual "will suffer consequences set by sanctions—in the form of changed attitudes and action on the part of those to whom he is bound in social relationships". He is then automatically justified or condemned through these sanctions. In two famous texts [*1*, I: 649–51; *12*, I: 377–9] Marx shows that the sanction working on the rôle of the capitalist is given, not by the society as such, but by his omnipotent ruler, Capital, and that the status of the capitalist places him in relation in the first instance to Capital; the capitalist, therefore, wants to justify himself first before Capital. In a beginning stage, Marx says, the capitalist considers "his actions as a mere function of capital" and "his own private consumption [as a] robbery perpetrated on accumulation." As accumulation and wealth become developed, he begins "to smile at the rage of asceticism as a mere prejudice of the old-fashioned miser. While the capitalist of the classical type brands individual consumption as a *sin against his function*, as an 'abstinence' from accumulating, the modernized capitalist is capable of looking upon accumulation as 'abstinence' from pleasure." In a third stage of capitalist development, he will even go further along the line of the "normal" producer, and "become wasteful himself for the sake of displaying his wealth. But he always enjoys his wealth with a *bad conscience*," and since "he enforces on the laborer abstinence from all life's enjoyments," his prodigality "*never possesses the bona-fide character* of the open-handed feudal lord's prodigality." This is the condemning sentence pronounced by the inner sanctions. The capitalist then looks for pretenses which might justify him in the eyes of the internal sanctions of Capital, and he finds that "luxury enters into capital's expenses of representation": in other words, that it makes for good public relations and better credit.

What makes the sanction of capitalism "autonomous" is precisely that it develops independently of the institutional organisms of civil society—as Marx has shown very clearly in the preceding quotations—and without any consideration for the social consequences which economic actions might have on other spheres of activity. These effects Marx terms as "constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation."[8]

However, it should be clearly remarked, out of scientific fairness, that the Marxian theory is not fatalist in the sense that the objective evolution of capitalism happens because of its own movement, without human cooperation. Marx emphatically contends that man must not only "interpret the world," as the philosophers did, but "change it" [*5: 75*], and that, "by acting on the external world and changing it, he at the same time changes his own nature" [*1*, I: 198]. But the sole choice of this free action of man is to say "yes" or "no" to the determinism of history. Of course, if the capitalist runs counter to that "objective" tendency, he is automatically eliminated from the "ruling class" [*21: 520*]. Here we have again together the "power" factor and the "autonomous sanction."

The reason for this Marxian determinism is rooted very deeply in the philosophical and scientific training of Marx and Engels. It can be seen at best in Engels' *Feuerbach*, and comes down to the following, which is relevant for our study: Long before Croce [*22: 15–20*] and Hayek [*23*], Engels had acknowledged that what makes the history of the development of society essentially different from the history of nature is that "in nature . . . there are only blind, unconscious agencies. . . . In the history of society, on the other hand, the actors are all endowed with consciousness." But immediately after that statement he turns social sciences again into natural sciences, by adding that "this distinction . . . cannot alter the fact that the course of history is governed by inner general laws." Why this sudden defection? The reason is that "the ends of [human] actions are intended, but the results which actually follow from these actions are not intended," so that "accident apparently reigns on the surface" [*5: 58–9*]. In other words, there is a "frustration" of the real aims of human actions, and therefore Engels goes on digging ever more deeply into the passion which determines the will, the motives which determine the passion, and finally the anonymous "driving forces" behind these motives.

This, however, considers only the "surface" of things. Dupriez has shown [*24: 346 ff*] that the norms of objective economy, the norms of the

[8] An approach to the "autonomous sanction" of capitalism, without the power effect, can be seen in Merton, [*35: 282ff.; 17:* ch. 9].

objective equilibrium incessantly striven for, are the result of the interplay of human wills aiming, not at these norms, but at immediate and much more concrete aims. And since the subjective motivation is finally expressed in the act of the will, and, without this, has no bearing on the objective economic evolution, the act of the will is really *the end* of the subjective explanation and the starting point of the objective explanation. It is clear, then, that no further digging will ever reveal anything relevant; the free act of the will is accounted for by itself. Moreover, the "frustration" alluded to in Engels' argument does not exist in the immediate ends of human actions: the housewife, who buys milk and eggs, whatever the price might be, does achieve her immediate end, feeding her family. The only end that might be frustrated is the desire of the economist to keep unaltered his schema of equilibrium or his laws of economic change—and this is the case of Marx and Engels—or the end of the planning authority aiming at objective wholes of subjective human actions.

This point is not irrelevant for the study at hand, because it shows that "frustration" takes place only in the realm of simplifying abstractions, and that the "changing of the world," referred to in Marx's thesis on Feuerbach, is intimately connected with the Marxian homogeneous planning and dictatorship, points which have a considerable background.

IV

AT THIS STAGE of our argument we have already learned quite a bit about the Marxian entrepreneur. True, Marx does not make a clear distinction between capitalist and entrepreneur, and this shows his affiliation with the British classical economists. His theory of economic development is really (in Sweezy's phrase) a "theory of capitalist development." Nevertheless, Marx is interested in the first place in *production.* Capitalism is one particular system of production, in which the capitalists make up a "society of producers" [*1,* III: 293], and the laborers are "personal materials of commodity production" [*1,* II: 44]. All "third classes of persons" are "unproductive consumers" [*1,* II: 384; *7:* 227]. Marx considers the needs of consumers as irrelevant for his system: consumption is of its very nature the reacting element, it has no say in the production, since production has laws of its own.

Furthermore, all that has been said in the foregoing about the economic and sociological importance of the capitalist—the profit motive, the concern about public relations, the striving towards power, the incarnation of the contradictions of capitalism, the creation of crisis-fostering technical instability and of the cyclical rates of accumulation—all this applies only

to "the bearer of capitalist *production*" [*12*, I: 377], to the "representative of *capital in action*" [*1*, III: 438], as distinguished from the "mere owner" [*1*, III: 441, 516] of capital. While interest is "the fruit of ownership, the fruit of a capital not 'working,' not performing its function" [*1*, III: 439], the profit of enterprise (gross profit *minus* interest) is the "product of a capital *performing its function*" [*1*, III: 438]. It is only due to "fetish forms of capital" and to the artificial "separation of capitalists into money-capitalists and industrial capitalists" that the category of interest comes into existence at all [*1*, III: 435, 461], and only because "historically, interest-bearing capital exists as a complete, traditional form . . . long before the capitalist mode of production and the conceptions of capital and [of] the profit belonging to it existed," only for that reason "popular conception regards money-capital . . . as capital *par excellence*" [*1*, III: 442]. The real exploiting and accumulating capital is the *producer's* capital. Let us then turn to the entrepreneur "in function." The fact that he is a capitalist will have an important bearing on his specific rôle in the firm; the producer will prove only a peculiar type of consumer.

A bird's-eye view of the history of "division of labor" reveals three stages. First, the accumulation and concentration of means of production and of laborers in one place for a common work at the same time [*1*, I: 353; *3*: 116]. It means "concentration" before "division" of labor. At the second stage we find the properly so-called "division" of labor, the very essence of which is—according to Marx's authority in that matter, Dr. A. Ure [*3*: 119–21]—the assignment of a workman of "appropriate" value and cost to each separate part-work of greater or less difficulty. At a time when automatic machinery was hardly known, Adam Smith very rightly considered "the division of labor as the grand principle of manufacturing improvement" [*25*, I: 18–23]. The third stage, then, consists in embodying each constituent of a working process in an automatic machine, which progressively enables the laborer to "tend the work of a well regulated mechanism," to "transfer his services from one machine to another", to "vary his task and enlarge his views" [*25*]. Marx, however, concluded that this would bring about a more homogeneous type of labor [*3*: 121], just what he needed in order to make his labor-value theory seem more realistic.

The first stage is "the starting point of capitalist production" [*1*, I: 353], because from then on we have "the concentration of many workers . . . under the command of one *capital*" [*3*: 116]. This personified capital is represented by the capitalist who, for the first time, "is relieved from actual labor" [*1*, I: 364] and acts as a superintendent of the laborers. This has in the Marxian theory a very peculiar meaning, on account of the

sociological relations which are involved. Indeed, the "production process is a combination of *labor*-process and of *value-breeding* process" [*26:* 127]. As far as the labor-process is concerned, since many individuals co-operate in it, it "necessarily requires for the connection and unity of the process one commanding will." Every orchestra needs a conductor [*1,* III: 451; I: 364]. As value-breeding process, however, that is to say as process of *capitalist* production, it requires superintendents for quite a different reason, namely, because capitalist production is "based on the *antagonism* between the laborer, as a direct producer, and the owner of the means of production." This antagonism reached its maximum in the slave system; it is still very acute under capitalist production since "the capitalist consumes the labor-power of the laborer" [*1,* III: 451].

These two aspects of supervision are far from being identical. However, in the bourgeois society there is no leader of industry who is not at the same time a capitalist, for "it is not because he is a leader of industry that a man is a capitalist; on the contrary, *he is a leader of industry, because he is a capitalist*" [*1,* I: 365]. This is the most important statement for our study. As Marx did not know yet what was later to be called "management control"[9] he did not imagine that one could direct labor or even make the ruling decisions, without reference to capital. And so he extended to the capitalist period as a whole what was true only for his time.

What ever may have been his logical mistake in this matter, he nevertheless considered "the leadership of industry [as] an attitude of capital" [*1,* I: 365]. And then he made it clear that "the capitalist proves himself such, not by the ownership of capital, which gives him the power to buy labor-power, but in the [actual] *employment of laborers*" [*1,* III: 453]. To Marx, profit is the result, not of concrete new combinations of factors or of new methods, but of *trading in labor-commodity;* and the enterpreneur is a *producer only as consumer of that particular commodity,* the use of which produces surplus-value [*1,* I: 185–6; III: 45].[10] That is the Marxian meaning of the "employer." This way of looking at the entrepreneurial function prevents us from agreeing with Lange [*10:* 195n.] when he says that "exploitation" can be explained with the help of any value theory outside the labor-value theory. This is true only as far as distribution is concerned, not, however, from the production viewpoint. It is indeed typical that the Fabians, who deliberately rejected the labor-value

[9] See Berle and Means [*36:* 119–20; see also *37:* 109, 122, 161–2; 39: 11*ff*, 35ff, 43*ff*, and *passim*].

[10] From the "Enquête Ouvrière," published by Marx in the *Revue Socialiste,* April 20, 1880, and made up for the workers with the purpose of teaching the Marxian doctrine through the questions themselves, it appears that the Marxian "employer" means "exploiter." See, for instance, questions 11–13, 34–7, 43–5, 57–9, 62–80.

theory [*27:* 468] and who argued against Marx's too narrow conception of the origin of surplus-value [*28:* 17n.; *27:* 116], have shown a much keener interest in the qualities required by the entrepreneurial function [*29:* 5; *30:* 5–6]. Shaw, for instance, analyzes this function as related to land, capital, and labor [*27:* 168–71] and emphasizes the particular initiative necessary for every "foundation" [*27:* 181] of a business. The Webbs also made a detailed study of the relative "strategic position" of the entrepreneur in the "pyramid" of "pressures" going down from the consumer, via the wholesale dealer and the entrepreneur, to the isolated workers, through the many "bulwarks" and "dykes" that are being built at each level as a protection against monopolistic competition [*31:* 650–93].

Marx certainly does not completely disregard such treatments; he knows that "to be a representative of invested capital is not a sinecure" and that "the exploitation of productive labor requires exertion" [*1,* III: 446]; he likes to quote Ure, where the latter speaks of the "Herculean enterprise of Arkwright" which consisted in "training human beings to renounce their desultory habits of work and to identify themselves with the unvarying regularity of the complex automaton" [*25:* 15–16; *3:* 119]. But these aspects are never stressed and go unnoticed. To Marx, the entrepreneur is the agent of capital only as exploiter of the workers. In order to get more out of the workers, he tries to "depreciate the worker's specialized ability" [*3:* 119], in other words, he goes over to mechanization. However, the bourgeois is only the "involuntary promotor" of the "advance in industry" [*6:* 43]; these technical inventions and their application are not due to personal innovations; they are simply the result of "collisions between the worker and the employer" [*3:* 119], that is to say, the result of the crisis-fostering revenge of "relations" against "forces."

Here the fundamental difference of perspective between Schumpeter's innovator and Marx's capitalist-entrepreneur comes out best. The latter, considering, as we said, the laborers and the means of production—both constituents of the economic "forces"—with regard, not to production, but to the social status of those who own, or use, or sell them, is interested only in keeping *unaltered* the existing combination of productive forces and social relations; the technological changes which he introduces into the "forces" are only the involuntary result of that power-situation, according to the blind mechanism of the expanding accumulation. Of course, this attitude of Marx's capitalist precludes any revolutionary activity on his part, either in the field of economics, or in the political sphere. Schumpeter's entrepreneur, on the contrary, considering the component parts of the "forces" with respect to production, is interested in the first instance in carrying out new combinations of them, that is to say, new

techniques of the instruments of production, new methods of associating labor, machines, etc., and his action is human and revolutionary.

Only as the "representative of capital in action" [*1*, III: 438] is Marx's entrepreneur opposed to the workers, because only as such does he exploit them. At this place it might be interesting to quote from Ramsay's theory of industrial profit, of which Marx said that it was the most clever treatment he ever read [*12*, III: 415]. Criticizing J. B. Say's views in the *Traité d'Economie Politique* [pt. II, ch. *7*], Ramsay contends that the "master" as such does not come into the market. There is neither demand for nor supply of his peculiar sort of labor. On the market there is a demand for the punctual payment of interest by the entrepreneur; and he himself does not set forth "his talents in business," but only his "securities, whether personal or landed" [*32:* 212–3]. In other words, the proper and strategic place of the capitalist employer is the firm, not the market. And when the concentration of capital and the corporate form of business transform him into a mere "manager," divorced from the ownership of the stock, he still remains a manager or "administrator of other people's capital" [*1*, I: 516].

At a later stage of capitalist development, the capitalist employer is able to hand over the work of direct supervision of the workmen to "a special kind of wage laborer," and thus "the work of supervision becomes an established and exclusive function" [*1*, I: 364]. Here Ramsay remarks that these foremen are distinguished from the capitalist entrepreneurs in that they receive a "fixed salary" according to the "law of supply and demand," like the other laborers [*32:* 213], so they are not opposed to the workers any more, but are members of the same institutional group; as such they do come into the market and bargain as "free' laborers with the great anonymous Capital. "*Separated from capital, the process of production is simply a labor process*" [*1*, III: 449].

With the separation of capitalists into mere owners and inventors of capital, and with the consequent "ossification of the two-parts of the gross profit" [*1*, III: 440], namely, interest and profit of enterprise, the lending capitalist faces as such, not the wage worker, since he does not exploit him, but the industrial capitalist, the investor [*1*, III: 446]. On the other hand, profit of enterprise as such does not appear as opposed to wages, but to interest; and "the industrial capitalist, as differentiated from the owner of capital, . . . appears as a functionary separated from capital, as a simple agent of the labor process, as a laborer" [*1*, III: 449]. Hence the entrepreneur "necessarily conceives the idea that his profit of enterprise is itself 'wages of labor,' . . . and he forgets that his function as a capitalist consists in creating surplus-value, which is unpaid labor" [*1*, III: 447]. This

confusion, however, is not possible any more, Marx says. Indeed, with the development of co-operation on the part of the laborers—"which implies that the manager is paid by the laborers"—and with the development of stock enterprises on the part of the bourgeoisie—"which, on the one hand, implies the tendency to separate the labor of management . . . from the ownership of capital and, on the other, grants a social character to the money-capital itself, being concentrated in banks and loaned by them instead of by its original owners"—"*the capitalist disappears* from the process of production as a superfluous person" [*1*, III: 456], and "profit appears in reality what it is in theory: mere surplus value, realized unpaid labor" [*1*, III: 458].

Given the foregoing elements, added to the fact that, "historically, interest appeared long before . . . the conceptions of capital and [of] the profit belonging to it existed" [*1*, III: 442], Marx should have been able to discover that the function of the profit-making entrepreneur is not necessarily connected with capital; and this would have made his entrepreneur so much more real. But his labor-value theory prevented it.

V

In spite of Marx's extremely suggestive picture of some economic and sociological aspects of the profit-seeking power-loving capitalist-entrepreneur, we must conclude that his theory of the business leader remains inadequate, and that, consequently, the explanation of economic change does not keep inside the field of economics. After all, Marx has analyzed a type of *sociological behavior* in the abstract, not an economic activity. Neither in the firm, where J. B. Say had staged his entrepreneur, nor in economic society at large, where Schumpeter's innovator will display his renovating abilities, is Marx's "capitalist" endowed with any active rôle. He is, on the contrary, a passive agent of omnipotent Capital. He is a producer only to the extent that he "consumes" labor power. He is on the labor-market a *monopsonist*, in the firm a *consumer*.

Marx's entrepreneur is not seen as the clever head of a business, dealing with real workers and customers, and trying to the full of his ability to direct towards the one goal of his firm all the heterogeneous forces which act on it, or pass through it. The only heterogeneity in capitalist society, as viewed by Marx, is expressed in the tension between two (only two) "classes"; and this is so true that, in the ideal communist society of the future, in which this antagonism will have been destroyed, no other tension or sign of reactionary personalism will ever appear [*33*: 9–11, 82; *4*: 306–7].

The entrepreneur is not viewed, either, as the driving force in economic society at large. We do not find in him the thrilling responsibility of carrying out new methods, of revealing latent, hitherto untried, possibilities of economic action. We see only the displacing of masses of capital and surplus-value; no interplay of human actions, but only shifts in proportions. The Marxian entrepreneur takes into account only the accumulation of wealth *in the abstract* [*1*, I: 170], without any concrete and living specification. He does not fight against obstacles, he does not try to remove a barrier. On the contrary, he incarnates the inner contradictions of capitalism, the main barrier of which is capital itself [*1*, III: 293].

The secret of this failure has unconsciously been told by Engels: it is the distrust of the real individual personality of men. It takes individual personalities, indeed, to break through a social barrier, and every revolution is the reaction of the individual who cannot and will not submit to automatism. Marx's entrepreneur, however, represents a homogeneous "class."

Halfway, both logically and historically, between the static entrepreneur of Say, and the revolutionary entrepreneur of Schumpeter, we meet the *evolutionary*, or would-be revolutionary entrepreneur of Marx. Indeed, this entrepreneur, far from being a real cause of revolutionary change in the economic "basis," wants to keep the combination of forces and relations *unchanged*. Yet, by so doing he involuntarily prepares the only Marxian revolution which will break this combination, and, at last, adapt the social relations to the expanded forces of production. But this revolution will not be under his control. It will be led by *another* "class," and take place outside the field of economics, namely, in the political sphere.

Having started at the economic level of capitalist society, the change will end at the political level of a new economic period of human history, and at a moment when, as an essential condition of the revolution, even the most fundamental hypotheses of the Marxian system, namely, the bargaining of monopsonistic capital with atomized labor, will have been transformed into their opposite, namely, the collective bargaining between independent, clearly identifiable entrepreneurs or groups of entrepreneurs, and unionized workers.

Under these multiple aspects the unfinished theory of the entrepreneur seems to be one of the principal reasons why the Marxian theory of economic change is extra-economic—and this is the climax of its contradiction.

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Uniformity of Settlement Status as a Public Health Measure

By LEWIS J. SIEGAL*

UNDER OLD ENGLISH LAW regulatory statutes were enacted under which overseers of the poor were appointed in every parish to raise funds for the maintenance of their indigents and to eliminate from the rolls those who were able to care for themselves.

Regulations were set up for the establishment of the legal status of settlement of inhabitants in the individual communities. Under these regulations legal decisions were made respecting the liability of the parishes for the care and support of the poor. The care of an indigent person was chargeable to the parish in which he had settled, and when this was in issue between parishes, the legal status of the indigent was determined under the regulations.

Gaining or acquiring settlement in a community thus became an important individual privilege where, as a result of indigence, the person's support and maintenance became necessary.

To minimize the perpetration of frauds upon communities and to prevent them, statutes were enacted which delimited the minimum period of continuous residence in a given locality. A fixed period of residence had to be established before one could qualify as being legally settled in a community.

In the several states of the United States, the required periods of residence, inhabitancy, domicile, dwelling—symbolically meaning colonization—and other required collateral conditions, are so varied and complicated that eligibility of dependent persons for assistance has been variously interpreted.

For these reasons, uniformity of settlement laws affecting eligibility for general relief has recently been urged. (This project of course, bears no relationship whatever to any provisions enacted for the assistance to the blind and to dependent children.)

With the advent of the Great Depression, public responsibility for the provision of assistance to the needy assumed unprecedented proportions. The duty of government—city, state and federal—to afford such care has become an accepted American principle.

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The concept that regional responsibility should exist for local inhabitants only, of necessity, conflicts with the doctrine of assistance when relief is sought by those who may require help though they lack the statutory period of settlement in the locality where they happen to be.

By legal enactment, the settlement laws of the several states define the various provisions of their individual social welfare programs. In principle, the purpose of these statutes is to restrict the burden of relief and to limit the responsibility of particular communities or other subdivisions of government respecting assistance to their eligible applicants. These laws of limitation vary materially in the several states because they reflect local influences and historical customs.

Thus, an individual who may have been domiciled for a certain time in a given location without having obtained relief, may acquire legal settlement status and become eligible for assistance from local funds. Also, under certain specifically defined situations, he may lose or gain this right, by the effects of the varying alterations in marital status, other family changes, institutional care, etc. In accordance with the laws of some states, an absence from a given city, town or county may affect an individual's legal settlement status and preclude him from assistance. In some states willful absence for a specified period nullifies settlement status, while in other states the laws provide for retention of settlement until the individual has become eligible for settlement in some other jurisdiction. By the same set of circumstances and pursuant to different laws, an individual may sometimes find himself a loser of settlement status in one location without acquiring it in another locality—a virtual "outcast" of the relief system.

Obviously, such a divergence in settlement statutes leads to a very precarious situation—one where persons in want have been accepted by no governmental subdivision merely because of the artificial barrier of length of residence and/or because of interpretations placed upon marital situations, other family changes, institutional care, etc.

Local provision for family welfare and for the prevention of delinquency should be available to all residents of a community whether or not settlement status has been acquired. It is only thus that the community can protect itself from the costs resulting from neglect of these cases.

Some Discriminations in Relief Policy

AT THIS POINT it is well to call to notice the following general pattern of the prohibitive and discriminatory nature of the definition of settlement as it is now in use by a majority of the states:

A wife, unless divorced, can only derive settlement from that of the husband. Legitimate children take settlement of the father unless the court has awarded custody of them to the mother. An illegitimate child derives settlement from that of the mother. The same situations apply to mental defectives. The latter, even though adult, cannot gain settlement apart from the parents and the parents of such patients may in no case move to another state with the privilege of institutionalization of their defective member. Thus, entire families are being barred from legal settlement elsewhere once their dependent defectives had been maintained by public funds at some other place.

Studies[1] have shown that people do not move about in order to obtain more relief grants elsewhere, but do migrate for the purpose of engaging in commerce, to procure employment, to unite with their relatives and friends, to seek a more equable climate for reasons of health, or to live near medical institutions where they hope to obtain the most appropriate medical care.

As to the states which may fear favorable attraction of people to their territory because of more desirable climate, studies[2] have shown that the proportion of migrants in search of health or for all other purposes, who can and do pay their own way, far more than outweighs the portion of migrants who may encounter need. Consequently, the increased economic contributions from the self-sustaining migrant population more than amply provide for any relief afforded to the needy ones.

As the problem exists today, we have the archaic restriction of movement of persons between states, between units of the same state, restriction of responsibility for assistance on the basis of varied sectional domiciliary requirements and forced removal of persons considered to be non-resident at their places of domicile.

A California statute provides in substance, that the bringing in or assisting in bringing in of a non-resident unemployed person into California is a crime. Non-resident unemployed persons are considered indigent.

In 1939 one Edwards, a California citizen, went to Texas to bring back his brother-in-law, a citizen of Texas, whom Edwards knew to be indigent. Edwards was found guilty and appealed to the California Superior Court which upheld the lower court's decision on a "close" question of the validity of the California statute.

Edwards appealed to the United States Supreme Court on the issue whether the prohibition against the "bringing" or transporting of indigent persons into California is within the police power of that state.

[1] See note 1 of the appended references.
[2] See note 2 of the appended references.

The United States Supreme Court reversed California and held in an unanimous decision that this is an unconstitutional barrier to interstate commerce, would prevent a citizen, because he was poor, from seeking new horizons in other states and might thus withhold from large segments of our people that mobility which is basic to any guarantee of freedom and opportunity.

Said Supreme Court Justice Byrnes in part: "The prohibition against transporting indigent non-residents into one state is an open invitation to retaliatory measures." Supreme Court Justice Douglas said in part: "The right to move freely from state to state is an incident of national citizenship protected by the privileges and immunities clause of the 14th Amendment against state interference."[3]

The settlement laws which were established in our original thirteen colonies and patterned after the old English Poor Law manifestly did not contemplate our country's westward development as a result of which the land was settled and improved by newcomers who thus created our new states and expanded our country. During this structural development of America, the freely-moving migrant was welcomed with open arms, only to become the object of misgiving and suspicion as soon as there was no more free land to settle. Settlement laws were then restored to operate as a bar against those who were otherwise eligible for assistance, rather than as a device to fix the community's responsibility to the needy.

Ten Million Migrants in a Single Year

THE BUREAU OF THE CENSUS reports that between 1945 and 1946 over ten million migrating people traveled over the United States, of which some six million moved about in search of new jobs and some two million cast about the various parts of the country to find decent housing for themselves and for their families. It is interesting to note that since the close of the last war, veterans of the war—some one and one-half million of them—moved about at least twice as many times as the civilian population.

People must move about. Social and economic impetus is too powerful to warrant consideration of policies intended to stop or retard internal movement. Migration is necessary to the adjustment of opportunities and is the barometer of our entire economic way of life. The United States Supreme Court, in 1941, has held that the right to move about is an incident to national citizenship and Rhode Island, since 1944, has totally unshackled itself from this ancient feudal impediment of settlement.

[3] Edwards v. State of California, 314 U.S. 160 year 1941.

New York has had variations of residence requirements for settlement, eligibility for which ranged from a period of one year to five years, depending on the various counties within the state. Those needy in a county who were unable to meet its particular domiciliary requirement were deemed "State Charges" and got aid from the local township. The latter would then become entitled to and receive a 100 per cent reimbursement from the state. Eventual analysis of the assistance case load in the one year, as compared with that in the five year counties of settlement eligibility, disclosed no appreciable difference in the movement of persons within the counties of New York state.

New York then took a long step ahead and in 1945 legally abolished settlement requirements, except that it still retains local residence qualifications for the purpose of establishing financial responsibility for hospitalization, institutional care or children's foster care.

Toward the complete abolition of settlement laws, Rhode Island has pioneered by the elimination of the requirements of settlement, citizenship or residence for any type of public assistance. That state's policy of eliminating all conditions of eligibility except need is best embodied in the following statement of August 12, 1942, made by Clemens J. France, Rhode Island Director of Social Welfare. Said Mr. France:

> Since July 1, 1942, persons who are in need in Rhode Island are eligible for general public assistance without respect to settlement or residence conditions. As a consequence, any persons who leave Rhode Island no longer have a residence, or a settlement in Rhode Island and Rhode Island has no legal obligations to care for them if they become in need. However, as a matter of being a good neighbor to other states, the State Department of Social Welfare recommends to cities and towns that they grant authorizations to return persons to Rhode Island in any situation when it is apparent that such a return is socially desirable and will contribute to the well-being of the persons concerned. This policy is effective regardless of the length of time which a person has been away from the state or the length of time which the person resided in the state previously. . . .[4]

Rhode Island then went further and eliminated its citizenship and residence requirement for old age assistance.[5] The final legal stroke was Rhode Island's elimination of residence restrictions for aid to dependent children.[6]

Rhode Island's experience has indicated that the supposed advantages of settlement laws are almost completely fictitious. In fact, such residence

[4] This was in pursuance of the Public Assistance Act under ch. 232 of P.L. 1942.
[5] Ch. 1330 of P.L. 1943.
[6] Ch. 1939 of P.L. 1943.

requirements worked to the financial disadvantage of the state. When the category residence requirements were eliminated, it made it possible to transfer to categories, a number of persons who were formerly receiving General Public Assistance where the state, its cities and towns, were paying the entire cost. The change obtained 50 per cent reimbursement to the state by the federal government.

To deny aid to people in distress, not on the basis of unproved need, but upon the artificial criterion of length of residence is discriminatory. It has been used to circumscribe and restrict responsibility for relief and establishes classes of people. Public assistance to persons of proved need should be accorded them when they are in need and wherever they may be. No one should be bound to the soil like the serfs of the dim past. Think of the settlement restriction which might have been enforced against such migrants as Columbus, the Pilgrims, or Franklin, Boone, Lincoln, Ford, Steinmetz, Einstein—migrants all!

The welfare requirements of the needy can only be served by a public program which eliminates once and for all the ancient fetish of settlement or residence qualification and relieves hardship and suffering at the source. The only pre-aid investigation worth its salt is the requirement of proved need. As against this, we now indulge in the expensive red tape of correspondence, coupled with the attendant long-drawn out hardship and the costly time-consuming waste of settlement investigations. All of these useless machinations, absurdly enough, have been put ahead of human needs.

The problem of the over-all need of people in a state is the latter's social welfare responsibility irrespective of a person's length of residence in it. Federal legislation should be enlarged so as to provide assistance to the states in order to adjust our welfare problem to the present needs of people in our national life. The more than 300-year-old poor laws have no place in our present scheme of life.

States should have reassurance that their financial burdens and responsibilities to the needy will be shared by federal taxpayers. To this end a state should be reimbursed out of government funds in relation to its ability to meet welfare charges. In addition, federal grants-in-aid, based upon the ratio of the state's per capita income to the national per capita income, should be given. Progressive amendments to the Social Security Act should enlarge the federal government's authority to provide federal grants-in-aid to states for all welfare assistance to proven dependents, indigents and mentally afflicted. Such federal aid should be conditional

upon elimination of all eligibility requirements that relate to length of residence in the state and should be administered by the Social Security Administration.

At a joint session of the Public Welfare Administration Section and of the Committee on Migration of the National Conference of Social Work at Cleveland, on May 22, 1944, Philip E. Ryan, director of civilian relief, American Red Cross, Washington, D. C., said:

> As the United States as a whole must act as a single entity in relation to the rest of the world, so should the artificial barriers between our states be broken down and our people should also be regarded as citizens of the United States rather than only as citizens of a particular state. . . . While we are prepared to extend assistance to war victims in foreign countries it is utterly ridiculous to think of one state denying assistance to a person in need simply because he comes from another state.

Once federal participation has been established on this basis, the state settlement laws will have no further purpose. Their elimination will present no legal complication. A state need then merely enact an enabling statute providing that "no person who is otherwise eligible shall be denied assistance by the state or by any of its local subdivisions because of lack of residence or settlement and all acts or parts therefor in conflict herewith are hereby repealed."

What the People Can Do

IT IS THE JOB of all of us to demand from congressional leaders provisions in the Social Security Act to provide appropriate grants-in-aid to the states for the effective care of the dependent, mentally afflicted and indigent. A widespread and general understanding of the problem must be developed among our legislative, medical, social and community leaders, as well as individuals and groups in every region of our country, to the end that members of congress be personally petitioned on the need for recognizing the nation's responsibilities to those of its inhabitants of all ages who must depend on public aid in order to live with their defects and infirmities, be they mental, physical or economic.

To restate in substance from a portion of a declaration by a committee of the American Bar Association: Public health, public safety, crime prevention and labor standards make necessary a recognition of the problem of aid to the proved needy. Preventive medicine in such matters demands it in the interest of national and local well-being. The problem is nationwide in scope and should be so treated. The dividends in national health and safety will repay its costs many times over.

As Dr. John Clare Whitchorn, president of the American Psychiatric Association, phrased it in his resolution of October 9, 1949, directed to the United Nations, "general health and good economic conditions (are) very important considerations." Our archaic settlement laws create deprivation and suffering among those denied assistance in spite of need by the operation of their narrow eligibility restrictions. So long as they exist, we cannot claim that all our citizens enjoy equal rights, protecting them in the basic elements of human dignity.

New York

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This has been the path of suffering and of salvation to humanity, its Golgotha and its resurrection into an eternal kingdom—from war to peace, from the hostile splitting up of the hordes to the peaceful unity of mankind, from brutality to humanity, from the exploiting State of robbery to the Freeman's Citizenship.

FRANZ OPPENHEIMER

The Civic Revival in Ohio

The Fight for Home Rule

By ROBERT H. BREMNER

> The general assembly shall provide for the organization of cities, and incorporated villages, by general laws, and restrict their power of taxation, assessment, borrowing money, contracting debts and loaning their credit, so as to prevent the abuse of such power. [Constitution of Ohio, 1851, Article XIII, Section 6].
>
> Municipalities shall have authority to exercise all powers of local self-government and to adopt and enforce within their limits such local police, sanitary and other similar regulations, as are not in conflict with general laws. [Constitution of Ohio as amended September 3, 1912, Article XVIII, Section 3].

THE MEN CONNECTED with the Civic Revival in Ohio drew a firm distinction between themselves and the ordinary reformer.[1] In their opinion the reformer's program was at heart repressive. They thought the reformer believed most men were evil and that he wanted to use prohibition and punishment to check their wicked natures. Fearing license more than he loves liberty (said the Civic Revivalists) the reformer seeks to preserve order by enforcing conformity.

In opposition to this spirit the Civic Revivalists claimed that their own program was not based upon restrictive laws. The only thing they said they wanted to prohibit was the condition of privilege; all they wanted to abolish was poverty. As to the virtue or wickedness of mankind, they disclaimed any knowledge, insisting only that society recognize the common humanity of its members. With a forgivable touch of exaltation they identified themselves with all the earlier libertarians who have held that men, as humans, are entitled to an ever-widening opportunity to solve their own problems, to make their own decisions—to govern themselves. Translated into terms of twentieth century American politics, this meant that the Civic Revivalists looked upon municipal home rule, woman suffrage, and direct legislation as valuable tools for building a democratic political state.

The reader who has come this far with the Civic Revivalists must have begun to wonder if the history of their fight against privilege and for self-

[1] On this account the writer has avoided referring to them as "reformers" or "municipal reformers," even at the cost of frequently having to use the somewhat awkward term, "Civic Revivalists."

government was only a record of half-defeats; if, in spite of all that has been said about their courage, perseverance, and ability, men like Johnson and Jones, Whitlock and Howe, Baker, Bigelow, and the other leading spirits of the movement scored no tangible, enduring victories for their cause.

The two sections of the Constitution of Ohio printed at the head of this chapter reveal one instance in which the Civic Revivalists were able to institutionalize a part of their program. Before the Constitution of Ohio was amended in 1912, municipal corporations exercised only such powers as were granted them by the State Legislature. They were, as the courts said, the creatures of the Assembly. After the amendments had been adopted the cities derived their powers, not from the often capricious Legislature, but from the people of the state. The theory was that the people of Ohio, expressing themselves through the Constitution, had delegated to the cities the right of local self-government. Under the new system municipalities theoretically enjoyed all powers not actually denied them by the Constitution.[2]

It was not an accident that one of the Constitutional Amendments of 1912 should have been the means of freeing the cities from the domination of the Legislature, for the changes wrought in the fundamental law of the state in that year represent the culmination of the Progressive Era in Ohio. The amendments adopted by the Fourth Constitutional Convention and ratified by the voters in September, 1912 were intended to increase popular control over government, to make it possible for the General Assembly to enact the social legislation made imperative by the industrialization of Ohio, and to bring reforms in the judicial system so as to reduce legal delays and simplify legal procedure.[3] The two amendments in which the Civic Revivalists were most interested and for the adoption of which they were most responsible were the ones authorizing the use of the initiative and referendum and granting home rule to cities. The home rule amendment provided not only for the shift in the source of the cities' power mentioned above, but also gave municipalities the right to own and operate public utilities and to frame their own systems (charters) of government.

[2] The adverb "theoretically" is used because the courts have since found ways to cut into municipal home rule. The most important powers denied cities by the Constitution were local autonomy in matters of taxation and borrowing. Of course the cities remained subject to state laws in all but local matters.

[3] Frederic C. Howe summarizes the amendments in "The New Constitution of Ohio," *The Survey*, XXVIII, 757–9 (Sept. 21, 1912). For a recent discussion of the work of the convention see Carl Wittke, ed., *The History of the State of Ohio* (6 vols. Columbus 1941–42), VI, pp. 11–16.

I

OHIO'S FIRST ADVANCE toward municipal home rule came about in an ironic way: the decision that overthrew the Cleveland charter also ended the vicious classification system which had for so long made city government in Ohio the plaything of the Legislature. Although numerous provisions of the Constitution of 1851 prohibited the conferring of corporate powers by special legislation and specifically denied the Legislature the right to pass any acts other than those having a uniform application throughout the state, the Legislature had early found ways to evade these limitations as far as city government was concerned.

By dividing cities into two classes according to population, and then subdividing the classes into grades, also according to population, it became possible to pass legislation general in terms but referring in fact only to one city. Instead of identifying the city by name, it was designated by population. For instance, an act stating that "cities of the second grade of the first class" should have their park boards appointed in a certain way actually referred solely to Cleveland. Similarly the only city intended to be affected by an act providing for the appointment of a bi-partisan police commission in "cities of the third grade of the first class" was Toledo. Occasionally laws were passed which were even balder examples of special legislation. One such statute applied to "a city of the second grade of class two having a population of 11,004."[4]

The classification system did not always work a hardship on cities. Sometimes it made possible the enactment of legislation desired by a municipality and designed to meet local conditions. In 1891 it was used to give Cleveland a "Federal Plan" charter, then considered the last word in efficient municipal administration. However, at a time when partisan advantage was a strong consideration in almost all legislative enactments, the classification system could be and often was manipulated so as to insure the control of cities by favored political groups. For the sake of political expediency, monstrous charters were drawn up and put into operation in Akron and Youngstown. Cincinnati was the victim of an act authorizing a state board to issue a fifty-year franchise extension to a street railway company in that city.[5]

Up to 1902 the Ohio courts had generally approved classification. "For governmental purposes," the Supreme Court held in one case, classification

[4] For examples of special legislation enacted by means of the classification system see 95 Ohio Laws 823 and 95 Ohio Laws 203.

[5] For a discussion of the classification system see Samuel P. Orth, "The Municipal Situation in Ohio," *The Forum*, 33: 430–7 (June, 1902). Johnson gives his interpretation of the system in *My Story* (New York, 1911), pp. 118–9.

laws were general acts.[6] The practice was reversed on June 26, 1902 when the Supreme Court handed down three decisions outlawing the classification system and declaring the Cleveland charter of 1891 unconstitutional, as special legislation.[7]

Since the charters of all the major cities in the state had been granted in the same way as Cleveland's, the effect of the decisions was to undermine the government of all Ohio cities and to make necessary the enactment of a new uniform municipal code. Students of municipal government had been seeking the passage of such a code at least since 1895. In 1898 Governor Bushnell had appointed two men to draw up a model code to be submitted to the Legislature. After two years of study they prepared a code suggesting the adoption of the "Federal Plan" as the basis for municipal government in Ohio.[8]

It might be supposed that state officials would have taken the report of the code commission into consideration in 1902 when a special session of the Legislature was called to draft a general law establishing a new system of government for Ohio cities. But both Governor Nash and the Legislature ignored the model code. Instead, on the advice of the twin rulers of the Republican party in the state, Senator Hanna and Boss Cox, a code was passed imposing on all the cities of Ohio the form of government which had been made to order for Cox in Cincinnati. The most distinctive features of the Nash code passed in 1902 were the shearing of the mayor's powers and the multiplication of elective boards to handle the administrative work of the city. The strongest motives for the adoption of a code embodying a form of municipal government long considered outmoded by political scientists appear to have been the desire to protect the Cox machine in Cincinnati and to relegate Mayor Johnson of Cleveland to a position of comparative political insignificance.[9]

At least in regard to Cleveland, the code did not work out as planned.

[6] Classification had become so accepted legally that as late as June, 1902 one student of the problem thought it very unlikely that the Supreme Court would ever reverse itself on this point. See Orth, "Municipal Situation in Ohio," *loc. cit.*, p. 435 for a survey of the cases.

[7] The two most important cases were The State of Ohio *ex rel* Kniseley *et al. v.* Jones *et al.*, 66 Ohio State 453 and The State of Ohio *ex rel* the Attorney General *v.* Beacom *et al.*, 66 Ohio State 491. For comment on the cases see John A. Fairlie, "The Municipal Crisis in Ohio," *Michigan Law Review*, 1: 352–63 (February, 1903).

[8] On the Pugh-Kibler Code see Orth, "Municipal Situation in Ohio," *loc. cit.*, pp. 435–7.

[9] Various aspects of the Nash Code are examined by Fairlie, "Municipal Crisis in Ohio," *loc. cit.*; Frederic C. Howe, "Cleveland—A City 'Finding Itself'," *The World's Work*, 6: 3988–99 (October, 1903); and Samuel P. Orth, *The Centralization of Administration in Ohio* (New York, 1903), pp. 388–9.

At the spring election of 1903 Johnson was re-elected and his whole slate of municipal candidates was put in office. The right to a voice in council proceedings was one of the privileges denied the mayor under the Nash Code, but at the first meeting of the Cleveland Council under the new form of government Johnson was extended a standing invitation to address the Council. At the same meeting the subject of the city-sponsored three-cent fare street car line, in abeyance since the destruction of the Cleveland charter eleven months before, was again taken up and new low-fare legislation was passed. Also at the same Council meeting a resolution was passed looking toward the construction of a municipal light plant. Johnson's enemies had forgotten that the system of government which aided Cox in controlling Cincinnati could be used to advantage by Boss Johnson in Cleveland. Cox drew his strength from his prerogative of dispensing federal, state and local patronage in Cincinnati. Johnson's legal responsibility was crippled by the new code but his actual power was sustained by the trust put in him and his supporters by the voters of Cleveland.

Even though the municipal code adopted in 1902 was in no sense a model one, the enforced abandonment of the classification system and the substitution for it of a uniform code was a definite victory for the cause of local self-government because the continual interference of the Legislature in local affairs was now ended. In 1909 the form of city government in Ohio was improved by an amendment to the Nash Code which centralized both authority and responsibility for municipal administration in the mayor.[10]

But the Civic Revivalists were still dissatisfied with the degree of autonomy permitted cities and when we remember their ambitious program we can understand why. Enraptured by the dream of the free city, they chafed under the restrictions placed on municipalities by a constitution drafted almost sixty years earlier. Time only heightened their discontent with a system that kept the cities subject to state supervision in matters of primarily local concern. They were especially resentful of the cities' subordination to state authority in questions involving municipal ownership, indebtedness, and taxation. "In Cleveland," wrote Frederic C. Howe, "municipal ownership is largely a state rather than a municipal question."[11]

[10] The Paine law of 1909 is discussed by Thomas L. Sidlo, "Centralization in Ohio Municipal Government," *The American Political Science Review*, 3: 591–7 (November, 1909).

[11] "Municipal Ownership in Cleveland" *Moody's Magazine*, 2: 511–4 (October, 1916).

Limitation on the power of municipalities to borrow money often prevented cities from entering the narrow field of enterprise in which state laws permitted municipal ownership. Frequently the state tax limit law kept a city such as Cleveland from providing services the Civic Revivalists felt it owed to its citizens. Granted that limitations on indebtedness and tax rates might be desirable, a man like Howe would say that the determination of what these limitations should be was a matter to be decided by the people of each city, rather than by the Legislature.

Like other pressure groups of various kinds the Civic Revivalists thought the Constitutional Convention of 1912 presented an opportunity to turn some of their ideas into law.

In 1906 an association composed of the mayors of the principal Ohio cities had submitted a home rule municipal code to the Legislature. In 1912, while the Fourth Constitutional Convention was in session, prominent municipal officials held a meeting in Columbus for the avowed purpose of influencing the delegates to the Convention in favor of municipal home rule. Newton D. Baker, then mayor of Cleveland, Henry T. Hunt, reform mayor of Cincinnati, and Brand Whitlock, addressed the Constitutional Convention.[12]

The advocates of home rule seem to have found the delegates to the Convention more sympathetic to their proposals than the legislators had been. The municipal code, written into the State Constitution as Article XVIII, was largely drafted by Baker and Whitlock. As adopted by the Convention and ratified by the voters the home rule amendment did not give municipalities the same latitude in determining taxation and debt policies as they were allowed to enjoy in devising their system of government. However, it did permit cities to engage in municipal ownership of public utilities and gave them the right to issue bonds on the security of the utility in excess of the borrowing limit set up by state law.[13]

II

THE FOURTH OHIO Constitutional Convention met in Columbus in January, 1912 and remained in session through May of that year. Out of the three hundred and forty propositions submitted to it the Convention prepared forty-two amendments (counting the liquor license proposal as an amendment) for submission to the voters at a special election held on September 3, 1912. Of these, thirty-four were ratified.

The President of the Constitutional Convention was Herbert S. Bigelow

[12] Reported in the *Ohio State Journal*, Jan. 26, 1912.
[13] The significant sections of Article XVIII are 1, 2, 3, 4, 7, 12, and 13.

of Cincinnati. He was the most prominent advocate of direct legislation in Ohio and after Johnson's death was the best known single taxer in the state. Born in Indiana, Bigelow had been educated at Oberlin College, Western Reserve University, and Lane Theological Seminary. In the late Eighteen Nineties he became pastor of the Vine Street Congregational Church in Cincinnati. While in Cleveland attending Western Reserve University he may have come in contact with the radicalism which Dr. Lucius Bryant Tuckerman and his friends were fomenting through the Franklin Club. Perhaps he was stirred by the abolitionist tradition at Oberlin, at the Seminary, and again at the Vine Street Church. Whatever the personal sources of his impulse toward radicalism his political and social convictions had been most directly influenced by his youthful adherence to the single tax philosophy. With Daniel Kiefer, another single taxer, he organized "The People's Church" which met in a Cincinnati theater. This was a weekly forum whose Sunday afternoon programs were strikingly similar to those Samuel M. Jones was conducting at approximately the same time in Golden Rule Park in Toledo.[14]

Bigelow's first appearance in state politics was as Johnson's candidate for Secretary of State in 1902. During the ten years intervening between his defeat in that contest and his election to the Presidency of the Constitutional Convention he had served a term in Congress. Bigelow's significance in the history of Ohio politics, however, is as the organizer of the progressive spirit in the state. In 1906 he left his pastorate to devote more of his time to political agitation. The favorite subject of the addresses he delivered in every corner of Ohio was the initiative and referendum. He went into all the legislative districts of the state and wherever the contest for a seat in the Ohio Senate or House of Representatives seemed close he consulted a card index of the friends of direct legislation in the district or county. His strategy was to weld the supporters of this reform into an organization strong enough to swing the election to whichever candidate would promise to support the initiative and referendum.[15]

More than any other one man Bigelow was responsible for the liberal character of the Constitutional Convention of 1912. Neither the votes on the selection of delegates to the convention nor on the ratification of the amendments drawn up by it were large enough to indicate that there

[14] For a sketch of Bigelow see Brand Whitlock, "Herbert S. Bigelow," *American Magazine*, 75: 30 (December, 1912). His career is traced by Frank Parker Stockbridge in "Ohio Wide Awake," *Everybody's Magazine*, 27: 696–707 (November, 1912).

[15] Bigelow describes his procedure in "From Pulpit to Stump," *The Independent*, 61: 1036–7 (Nov. 1, 1906).

was any overwhelming popular demand for a change in the Constitution or any great general interest in the work of the Convention.

But there were pressure groups of various kinds with pet reforms to push through who *were* interested in the Constitutional Convention.[16] Not only the advocates of home rule and the initiative and referendum, but those who favored woman suffrage, workmen's compensation laws, tax reform, a liquor license law, and a variety of other reforms realized that the Constitutional Convention gave them a chance to advance their diverse programs. Through the Ohio Direct Legislation League and the Ohio Progressive Constitution League, Bigelow had driven home to liberal-minded people all over the state that this was their chance to democratize the government of Ohio. In the election of delegates to the Convention these two leagues followed the procedure outlined by Bigelow in earlier legislative campaigns: their support was given to the more progressive candidate regardless of his nominal party affiliation.

The majority of the delegates to the Convention were considered liberal in their political views. But their liberalism was of varying degrees and they were proponents of many different reforms. As leader of the progressive bloc in the convention, Bigelow had the difficult task of unifying the divergent liberals. Direct legislation was the common ground he found for them to stand on. No matter what other measures a delegate might champion, Bigelow tried to convince him that the initiative and referendum should come first, for it was the means by which all other improvements could be obtained.

No argument was needed to persuade Ohio conservatives that direct legislation was the key to such reforms. That was what they were afraid of. It was not the theory behind the initiative and referendum (stronger popular control over government) at which they directed their heaviest attack, but rather at the practices to which "government by public opinion" might be put.

In general the referendum was less bitterly opposed than the initiative. The former was not a novelty in Ohio, having been in use in regard to street railway franchises since the Schmidt Act of 1908. Experience with the referendum in Cleveland had demonstrated that it was a weapon that could be wielded by conservatives as well as by radicals.

The initiative, however, still untried in Ohio, struck its opponents as

[16] Lack of public interest in the work of the Convention is stressed by Robert E. Cushman, "Voting Organic Laws," *Political Science Quarterly*, 28: 207–29 (June, 1913). See also Daniel J. Ryan, "The Influence of Socialism on the Ohio Constitution," *North American Review*, 196: 666–72 (November, 1912).

the ideal method by which "a discontented and sentimental minority" could foist crackpot political panaceas on an unsuspecting commonwealth. Of all the unsound schemes the initiative might be expected to usher in, the single tax was regarded as the most dangerous. Both in the Convention and in the campaign on the ratification of the amendments the conservatives consistently linked the initiative with the single tax. Their obvious aim was to discredit the initiative by indelibly associating it in the public's mind with an unpopular proposal.

Most of the delegates were such staunch believers in direct legislation that this talk failed to frighten them out of their determination to insert an initiative and referendum amendment into the Constitution. But aware of the widespread dislike (misunderstanding, they would call it) of the single tax, and unwilling to risk the defeat of the direct legislation amendment because of it, Bigelow's group agreed to word the amendment in such a way as to prohibit the use of the initiative to enact a single tax law. This was not as grave a set-back as it appeared to be at first glance. Single taxers were confident that once the initiative was embedded in Ohio's fundamental law it could be used to re-amend the Constitution so as to strike out the prohibitory clause.[17]

III

THE MOST VOCAL OPPONENT of the initiative and referendum amendment—and in fact of most of the other amendments prepared by the Constitutional Convention—was the Ohio Board of Commerce. This was an organization of about two thousand prominent businessmen whose pronouncements on economic and political affairs were much quoted by conservative newspapers and highly respected by lesser businessmen. The Board, which had for years sought to remodel Ohio's tax laws, had been one of the most active agencies in having the Constitutional Convention summoned. Disappointed at the refusal of the Convention to adopt its tax theories and alarmed at the nature of many of the amendments that were adopted, the Board assumed the leadership of the movement to defeat the proposals submitted to the voters by the Convention.

The head of the Board of Commerce was Allen Ripley Foote, a former editor of the magazine *Public Policy*. He was usually referred to as "a writer on economic questions" and in truth he had written many articles and pamphlets on subjects like taxation, public accounting, and municipal

[17] Bigelow explains the reason for the apparent sacrifice of the single tax to the initiative and referendum in *Initiative and Referendum* (Columbus, 1912), pp. 8–10, and *New Constitution for Ohio* (Washington, 1912), pp. 14–5.

ownership. Foote's literary activity, however, was an adjunct of his work as the lobbyist for several important electric power companies. The power industry was among the first to realize that in an age of increasing agitation for governmental regulation and ownership of business it would be a good idea to make friends with the public.

Foote was one of the cleverest lobbyists and campaign strategists of his day, but his work was not chiefly performed in legislative halls or hotel rooms. He was hired to educate the people to industry's side of public questions. Specifically he made it his duty to impress the men who elected the legislators with the complexity of modern industrial problems and with the inability of anybody but business-trained experts to cope with such matters.

Foote was an excellent man for this type of work because the sheer number of his publications won him a popular reputation as an economic expert. Furthermore, his support of such reforms as a uniform system of public accounting had brought him recognition as a public-spirited and practical student of government.

In his writings Foote won the reader's confidence and respect by salting each page with quotable one-sentence paragraphs purporting to state a fundamental truth or an indisputable principle of economics. "Measures that are wrong in principle cannot be, and are not, successful in practice." "Individual prosperity is an infallible basis of and safeguard for national welfare." "Government regulation of business will benefit the people to the degree in which it successfully aids economic efficiency."

Having thus demonstrated the profundity of his thought to the casual reader, he would throw in some statistics and illustrations further to impress his audience. When he wound up with the conclusion that economic laws dictated that privately owned public utility property should be exempted from taxation *for the consumers' benefit*, it sounded official.[18]

Tom Johnson, who had plenty of encounters with Foote, described him as the type of antagonist who seldom opposed anything. "He always wants to do what you want to do," said Johnson, "but he always knows

[18] The most convenient repositories of Foote's writings are the files of *Public Policy* and the *Ohio Journal of Commerce*. In addition Foote contributed occasional articles to *Municipal Affairs*, The *Annals*, and *Proceedings* . . . of the National Municipal League. Material on Foote himself is less plentiful. Two editorials in *The Public* contain brief summaries of his career: "The Somers System of Tax Valuation," 14: 173–9 (Feb. 24, 1911), 176–7 (footnote); and "Foote's Defeat in Ohio," 15: 866–7 (Sept. 13, 1912). On Foote's connection with the electric power interest see "Ohio Constitutional Convention," *The Public*, 14: 632–33 (July 7, 1911). *The Ohio Journal of Commerce*, February, 1921 contains an obituary of Foote and a tribute to him.

a better or a different way of doing it." Foote especially liked to show that supposedly radical reforms were really reactionary in effect—for example, that the single tax would shift all taxation from the rich to the poor, or that workmen's compensation laws were really a burden on labor. He was most effective, however, when he posed as the oracle of business and solemnly warned of the disturbing effect of unwise political action on business confidence.

Foote was an old man in 1912 but the arguments he used in directing the campaign against the Constitutional amendments provide a good illustration of the tactics he had used against progressive measures throughout his long career. His arguments appeared in a pamphlet published and distributed by the Ohio Board of Commerce. This little book contained the text of the amendments, the explanations of them prepared by the convention, and an "analysis" of each one by Foote.[19]

In this instance Foote frankly directed his reasoning at those business interests which found democracy a nuisance. As presented by Foote, the initiative and referendum amendment was a "reactionary and radical" measure which would "destroy our representative form of government" and lead to "continuous political agitation."

He objected to woman suffrage on the ground that enlarging the electorate would prolong what he regarded as the most serious weakness of our form of government: the enjoyment of the franchise "by a large number of . . . citizens who are incompetent to exercise it intelligently but who do exercise it either blindly or corruptly."

In most cases Foote was more subtle in his opposition. He showed that some amendments, such as the one proposing to abolish capital punishment, were unnecessary. Others were unwise because they might have a tendency to "prejudice one class against another" or might involve a large expense. "Leave well enough alone," Foote was really telling his readers under the pretense of making an impartial and expert appraisal of each amendment. The theme running through his pamphlet and the slogan of the whole campaign against the amendments was "When in doubt, vote No."

Nevertheless, something had got into Ohio. Foote's old and usually successful arguments were ignored by the voters as they ratified the overwhelming majority of the amendments. Perhaps the real reason for the adoption of the amendments was that the excitement of the presidential campaign kept nearly everybody but the men actively interested in them

[19] Ohio State Board of Commerce, *Proposed Amendments to the Constitution of Ohio. . . .* (Columbus, 1912).

from going to the polls. Perhaps, as Whitlock tried to believe, the seeds of the ideas Jones and Johnson had sown in Toledo and Cleveland were at last taking root in the state.

IV

AMONG THE AMENDMENTS adopted were those authorizing direct legislation and municipal home rule. Momentarily the Civic Revivalists felt that Johnson's vision of a free city was on the verge of fulfillment. Cities undreamed of when the old Constitution was written, cities still unborn in 1912, would henceforth be able to govern themselves and to undertake such co-operative enterprises as they desired.[20]

In drafting the home rule amendment Baker and Whitlock had strived to make its various sections so clear and definite that lawyers and judges would never be called upon to interpret them. Later it was both amusing and disconcerting to Baker to find himself appearing in the courts arguing earnestly to make the judges see what he and Whitlock had tried to say. Not infrequently, he wrote to Whitlock, the court ruled that what they had actually said in the amendment was about the opposite of what they, the framers, had intended to say.[21] At length Baker was forced to resign himself to what he called the futility of "most attempts to outwit the ingenuity of the future."[22]

That disillusioning revelation was still far in the future in 1912. Then Baker and Whitlock could (and did) congratulate themselves on the successful issue of the long fight for home rule. With home rule both good government and self-government were made possible in the cities. If they wanted it, the people of the cities could have clean and efficient government because the power to devise their own charters meant that they could make use of the most scientific plans of municipal administration. If the people wanted to go further and have self-government they could do that too. Not only was the interference of the legislature in local affairs minimized, but the authorization of municipal ownership of public utilities offered a way to end the control of city government by privileged groups.

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[20] For Whitlock's reaction see *Forty Years of It* (New York, 1914), p. 366.

[21] Letter from Baker to Whitlock, November 15, 1932, Allen Nevins, ed., *The Letters of Brand Whitlock*, (New York, 1936), pp. 535–6. For comment on an early decision adverse to Baker's interpretation of the home rule amendment see the *Cleveland Leader*, May 7, 1913. The case is The State *ex rel* Toledo *v.* Lynch, 88 Ohio State 71.

[22] Newton D. Baker, "Introduction," *The Letters of Brand Whitlock, op. cit.*, p xv.

Book and Monograph Notices

Twentieth Century Economic Thought. Edited by Glenn E. Hoover. New York: Philosophical Library, 1950, 819 pp., index, $12.

Twentieth Century Sociology. Edited by Georges Gurvitch and Wilbert E. Moore. New York: Philosophical Library, 1945, 754 pp., $6.

Twentieth Century Political Thought. Edited by Joseph S. Roucek. New York: Philosophical Library, 1946, 657 pp., index, $6.

Geography in the Twentieth Century. Edited by Griffith Taylor. New York: Philosophical Library (London: Methuen), 1951, 630 pp., index, maps, $8.75.

Modern World Politics. Edited by Thorsten V. Kalijarvi. New York: Thomas Y. Crowell Co., 1945, 852 pp., index, 32 maps, $3.75.

These works, edited by scholars of world-wide reputation and written by outstanding specialists, serve a very useful purpose. They bring both the general and the specialized reader up-to-date in the field. With new discoveries and viewpoints being reported weekly in the periodical literature, and the significant books being constantly multiplied, this service is of enormous value. It is no longer possible for the individual social scientist to keep himself well informed in all the fields of the social sciences without such help. But going beyond that, these books show the interrelations between the specialties and help to bring their advances into focus on a larger canvas. Our growing knowledge of man and of men living in society is changed, by such efforts as these, from a jig-saw puzzle into a logical body of facts and conclusions.

Dr. Hoover's work, which enjoyed the collaboration of such eminent economists as Brown, Hayes, Higgins, Knight and Roepke, covers the most important economic issues of our time from the more significant points of view. It brings to the great public debates of the day the illuminating discussion of the scientific investigator. It not only lights up the areas it covers, but arouses interest in the whole range of problems with which economics deals. The student as well as the general reader will find no more stimulating introduction to modern economic analysis.

The Gurvitch-Moore work enjoyed the collaboration of Cairns, Parsons, Becker, Sorokin, MacIver, Roucek and others equally outstanding. It covers the major trends in sociology and the special sociologies, the present position and the more important problems being attacked by sociological investigation. Of special value is its review of sociology on a national basis.

The Roucek work covers the realm of political idea-systems around the world with the realism and breadth of understanding that are characteristic of the work of the editor. With contributors such as Hoover, Barnes and Morgenthau, the book has stood the test of five years of changes in the world's political life; it is as good a guide to the movements and trends moulding the modern world as when it first appeared.

The Taylor volume studies growth, fields, techniques, aims and trends in world geography. Huntington, Bowman, Wright, Stamp and Woolridge are typical of the outstanding authors who cooperated in the work. The result is a unique production that carries the reader to the frontiers of geography yet constantly keeps him aware of the place of geography in science generally and the social sciences in particular.

The Kalijarvi volume was independently produced at the same time as most of these volumes. Its great virtue is that in covering the field of world politics, where economic, sociological, political and moral issues meet and merge, it is as concerned with the source of the problems as with the problems themselves. That it appears to sum up the great issues of which all the other volumes are conscious is a tribute to the realism of its approach.

Land Economics: Principles, Problems and Policies in Utilizing Land Resources. By Roland R. Renne. New York: Harper & Bros., 1947, 736 pp., index, $5.

Dr. Renne's book meets the need for a comprehensive and systematic textbook on land economics that would avoid the prejudices and biases of previous works in this field. It begins with a presentation of the background and perspectives necessary to an understanding of land economics. It proceeds to an elaboration of the principles of land use and a detailed identification of major land uses. A full and well-informed discussion of land use problems and policies lays a basis for the concluding part, planning and control of land use. Himself an authority on land economics, the author sums up the findings of modern scholarship in his field.

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